PERSONNEL
Journal

THE MAGAZINE OF LABOR RELATIONS AND PERSONNEL PRACTICES

Index to Volume 25

May 1946–April 1947

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Published by
PERSONNEL RESEARCH FEDERATION
60 East 42nd St., New York 17, N. Y.

Index

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PERSONNEL
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The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL RESEARCH FEDERATION
Lincoln Building, 60 East 42nd Street, New York City

Volume 25 *Number 1*

Contents for May 1946

Many Men Have been Promoted in the Past and We can See in Some Plants where Mistakes have been Made. Some Men with High Titles are Still Foremen and Neither They nor Management Realize Why They are Unsuccessful in Their Jobs.

Planned Development *of* Supervisors

BY PHIL CARROLL, JR.,
Maplewood, N. J.

THE need for good supervisors is exceedingly great. Better supervisors will have to be developed before we can work out the solution to the problems which have been saddled upon American Industry. Without good foremen, there is little chance to actually attain full production that we need because peak production seems to offer the only practical solution to the inflation which we all fear.

But the full production we must have now is different from the "All-out production" we expedited during the war in that it must be manufactured at a profit. That means we must raise prices or lower costs because of the enormous wage increases which have been and are being granted, higher prices can nullify the benefits of wage increases. That spiralling process does not improve our standard of living. Hiking up the wage rate can make our dollars counterfeit if we are not careful.

Costs Must Be Reduced

THE really sound way to improve our standard of living is by reducing costs. Cost reduction should not be confined to manufacturing operations, of course. Other elements of cost like distribution, for example, should be drastically trimmed. However, our concern in this discussion is with manufacturing costs because it is in this field that the foremen must do their work.

To get out more work and to reduce cost, a supervisor will have to be much more capable in handling the industrial relations problems which are sure to arise. He must be less of a foreman and more of a manager. He must be a part of management or else his efforts will not be effective. It seems obvious that the work of the foreman of the future can be done only by individuals who truly represent management and are a part of management.

What Is a Supervisor?

In order to get the supervisors and foremen we will need in the future, it seems necessary to make some changes in our thinking. To begin with, we must stop making the customary mistake of assuming that because an individual has been a high class and efficient producer he can be trained to be a good foreman. In the past, we have followed this rule too generally with the result that we have spoiled many a good "mechanic" by making him foreman. Adding insult to injury, we have told him on Friday night that he will be "foreman" beginning Monday morning. Apparently we have taken it for granted that he was thoroughly qualified to do the job because often little or no effort was made to train him in his new duties and responsibilities.

These past erroneous practices have been based on the assumption that ability to perform the work was the important qualification. Technical ability is rated as only about 15% of the total job requirements of a good supervisor, according to the experts.

Regardless of what has gone on in the past, it seems self-evident that in the future the foreman who is representative of management will have to be a real supervisor. He will have to direct the efforts of others. He will have to be thoroughly qualified in what we call leadership.

Evidence of progress is seen in the supervisory training programs carried on by many companies while their plants have been shut down by strikes. Such training will overcome at least some of the errors of omission. But there is a difference between training and development. Training is what we did so much of during the war. It was done then and is being carried on now largely as an emergency measure. These training programs pour out hastily whipped up concoctions of subjects which are poorly digested at best. That is not development.

Developing Supervisors

The solution to the problem seems to divide itself into two parts. In the first place, we must take steps to develop the hundreds of thousands of people who are already acting as supervisors. And, training is required but evidence seems to point to the necessity for a different kind of approach from the one we have been using.

To illustrate, ask yourself the question "What subjects do I read about or study?" Don't say that you never study because that is how most of us get behind the eight ball. But if we are really trying to learn, we do study up on those subjects which we think we need to learn more about.

The things we feel we have to know more about are specific. Therefore, training should follow the same pattern and be designed to overcome known deficiencies. The training should be in those subjects or elements which the supervisors feel the need to know more about. Supervisory training should not have the hit or miss plan of shotgun dispersion.

Moreover, it should not have very much of the classical background dealing with historical elements and descriptive matter. Approaches of this sort discourage the people who are looking for information that they can put to work on the job. History and biography have their place and are highly desirable but not in the early stages of training that has been seen in so many plants.

Remove Gripes First

And it seems important to point out that little will be gained from almost any kind of a training program until after the gripes of the foremen and supervisors have been removed. It seems axiomatic that the mental obstructions to learning must be removed before new material can be absorbed. It may be that management will have to do a lot of explaining and defining of its own position before training of any sort can become effective.

Development as contrasted with training will probably be more effective if it is worked out on the basis of collaboration similar to that described as "Multiple-Management." This particular plan worked out by C. P. McCormick of Baltimore, is a specialized form of what is sometimes called industrial democracy wherein the supervisors participate in the formation as well as the execution of company policies. However it is done, the point to remember is that development has to do with building up and that involves a certain degree of participation.

Job and the Man

Considering only the present supervisors, many development programs would seem to consist of at least two parts. The obvious one is that of correcting the deficiencies. An equally important part seems to be that of determining the nature and the location of the weaknesses. That leads to the question of "How many plants are testing the capabilities of their supervisors?"

Aptitude testing may not be the answer and according to some, has not been demonstrated to be valid. But surely testing is a better approach than some of the methods which have been used in the past. Certainly testing would be an improvement over political and seniority reasons for promotions.

Proper testing would divulge three sets of conditions in the average plant. First, it would be shown that there were certain deficiencies which could be overcome by some form of training. Secondly, it would be revealed that certain of the deficiencies were of the kinds that could be remedied only by supplementing the supervisor's weakness by additional help. Third of course, it would be shown that some of the supervisors could not be used even after they were trained.

"By Gad They'd Better Follow Me"

Proper testing would show up all kinds of weaknesses. For example, outside the field of supervision, it was found in one plant that nearly half of the inspectors working on a war time job needed eyeglasses in order to be able to see what they

were doing. Similarly, it is almost certain that a goodly portion of the supervisors in some plants would be found to lack the necessary abilities to handle the everyday industrial relations problems connected with their work. This deficiency can be helped but not overcome by training. To illustrate, Clayton Hill told a very interesting story at Silver Bay several years ago. He described the great lengths to which a company had gone in an attempt to get supervisors to understand the difference between leadership and drivership. At the conclusion of one of the meetings, a former top sergeant was asked if he understood how he was to conduct himself as a leader. He agreed that he knew all about being a leader but added, "And by gad they'd better follow me."

The leadership qualities which stem from human engineering are more important today than ever. With the foremen in many of our plants acting as the Number One step in the grievance procedure, we cannot afford to continue making mistakes. Skilled supervisors can prevent the complaints from taking on the status of grievances. Unskilled supervisors will jeopardize industrial relations by failing properly to handle grievances. The results are more arbitrations and costly precedents.

Developing Understanding

More and more it becomes necessary that supervisors be selected for their ability to handle people. If we fail to give serious consideration to this required quality, the supervisors in the shops which have unions will be "out on the limb" most of the time. People who have human understanding can be trained and developed in the proper handling of their duties in dealing with union representatives. One of the important steps which can be taken was pointed out in a recent issue of *Management Information* by Glenn Gardiner. He referred to the procedure followed by one company which spent considerable time in round table conferences setting down in black and white what the supervisors understood to be the company policy. That is development as contrasted with training because the supervisors were not called together and required to listen to someone recite the company policies.

Similarly, supervisory conferences were used to develop all of the questions these men had concerning how they should work with the union. All of the questions raised in the several conferences were correlated. Then answers were written to every question. When the questions and answers had been completely worked out, they were shown to the union officials with the question, "Is this your understanding?" Finally the completed draft was turned over to both supervisors and union officials so that there could be no misunderstanding about their relationships.

In that connection, what percentage of our supervisors really understand what is in the union contract they are expected to abide by? What percentage of our supervisors have a chance to offer comments or suggestions during the period when a new contract is being developed? Omissions of this sort which were made primarily

because the supervisors were not as good as they had to be, is at the root of the unionization of foremen.

Company Responsibility

The supervisors must know where they stand. Any training given them will be lost if they are not backed up and made an actual part of management. Unfortunately, a lot of bad training must be undone. Certainly the supervisors were badly trained during the war when they were taught to "pussy foot" on many an occasion. Many a supervisor does not know which way to turn because he is working with a management that is still trying to buy off a union. And in the shops where a union is recognized, the supervisor is always on the defensive if his management sets that kind of a policy. A number of managements could profit from studying "*Management at the Bargaining Table*," by Hill and Hook. (Reviewed in the April, 1946 issue of the Personnel Journal.)

These attitudes are mentioned to indicate that both training and development will be of little value unless they are backed up by sound company policies. The top management must set the pace. The supervisor will have to see actual evidences of a change before he will believe that the company is really interested in solving the industrial relations problems that are facing it today.

Getting Replacements

Whether the company policies are right or wrong, supervisors will have to have enough ability to understand them and carry on accordingly. And if management has come to a better understanding, the probabilities are that supervisory capabilities will then have to be more effective than heretofore. Consequently, if industry is really trying to solve the problems of supervision, it must recognize that some men are unsuited for their jobs. Replacements will be necessary.

New supervisors will be required to fill the positions now held by those found to be inadequate. In addition, a wide awake management would be looking ahead toward developing supervisors for future replacements. For instance, one comparatively small company found that it would have to develop thirty-five new supervisors to replace those who would retire or might leave in the next five years.

This planning for the future is important because without it we are so apt to repeat our past errors. We should not wait until the need is upon us and, in desperation, take the course of least resistance. If you will recall, that's what we did with regard to the wage incentive plans that were introduced overnight during the war.

If we are planning the development of replacements we should have time enough to do the proper job of selection. We should have time enough to test the candidates to make certain that they have more than a passable amount of the human factors. Also by working in advance of our needs, we would have ample time in

which to train the supervisory candidates before they are assigned to full time operations with every day filled by regular duties.

Timestudy Training

One of the methods for training supervisory candidates is in timestudy work. To my way of thinking, it is one of the best training grounds in industry for the development of supervisory abilities. It is a logical apprenticeship to management.

Timestudy training is exceedingly valuable to the future supervisor because most of the grievances have to do with earnings. When incentives are used in the plant, most of those grievances bring in timestudy in one form or another. Therefore, it is important that the supervisor be able to answer satisfactorily all of the questions which arise. To do this, he must understand all of the principles of good timestudy and wage incentive to the point where he has complete confidence in the explanations which he makes.

A supervisor who has been trained in timestudy understands the importance of training the employee in the proper performance of his job. The proper training of the employee has been as badly neglected as the proper training of the supervisor. One of the reasons for this is that supervisors in general have not understood the necessity for teaching the operator to do the job in conformity with the methods on which the standards are set for wage incentive. Timestudy men know instinctively that changes in methods, working conditions, material and the like are the chief causes for complaint. Obviously, a supervisor who understood such things would eliminate the sources of most of such complaints.

More importantly, timestudy training would give a supervisor an appreciation of the value of time. Time is the basis on which practically all of industry operates. Time is the basis for production planning. Time is the essential ingredient of deliveries to customers. Deliveries are important now for certain reasons and will be more important later when the demand for goods falls off.

In cost control and cost reduction which have always been an important part of every supervisor's job, timestudy training is perhaps the most valuable that he could receive. And certainly there will have to be a great deal of training and development in the attitudes of cost reduction before we can ever overcome the many bad habits that were so easily acquired during the war.

Executive Development

The planned development of supervisors would go one step further if it were properly done. It would recognize the ultimate goal and forsee the eventual upgrading the supervisor. With that in mind, attention should be given to potentials of the individuals selected for training.

Since the foreman is the first step in management, it follows that some will be promoted to greater responsibilities. Many have been promoted in the past and

we can see in some plants where mistakes have been made. Some men with fairly high sounding titles are still foremen and neither they nor the management realize why they are unsuccessful in their jobs.

Some of these mistakes could have been avoided with greater forsight. But the mistakes occurred perhaps because there were no better men available or perhaps because the management did not understand what capabilities were necessary.

What Is Expected?

If we really mean to plan the development of our supervisors now there are several important factors involved and we must understand all of them. In the first place, we must thoroughly understand what is expected of the supervisor and what are the policies within which he is to operate. Unless we know what the job is, we cannot explain it to the supervisor nor will he understand whether or not he is performing it satisfactorily.

Second, we must know what kind of a man it takes to do the job. In other words, we must have job specifications in order to know what kind of candidate to select for upgrading.

Third, we must have some means of testing to determine whether or not we have the individual who will meet the specifications. Such tests will reveal certain weaknesses and these are the factors to be corrected.

Fourth, we must have satisfactory ways for overcoming the deficiencies discovered to be present in the candidates which are suitable for training and development.

Fifth, we must have a definite program for developing the future supervisor through a proper apprenticeship. This must be a form of training which should be completed before the new foreman is dumped in the middle of his new job.

Sixth, and finally we should remember that there is a considerable likelihood that some of those being selected and developed will ultimately be promoted to higher executive positions. That being inevitable, it is most necessary that some portion of the those being developed have the capabilities which will enable them to progress beyond the first stages of supervision. Only when we consider all of these points can we be satisfied that we have planned development of supervisors.

From a paper given before the Pittsburgh chapter of the Society for the Advancement of Management.

The Treasury Department and Deflation Experts are Concerned over a Story From Harrisburg, Pa. 17-month-old Harry Lingle Swallowed a Nickel and Coughed up a Cent.

Emotional Factors *in* Safety

By Harold R. Bixler,
The Mutual Life Insurance Company of New York,
New York, N. Y.

The darndest thing happened to Stanley J. Bonner. He was shot by a duck. Bonner went out into the backyard with a pistol to shoot a couple of domestic ducks last October. The first dropped dead obligingly. The second, a sassy bird flew at Bonner, jarred his arm and the gun went off. The bullet hit Bonner in the knee. Since the incident Bonner and the duck are barely speaking.

If you think that's wacky, you should hear the story about James Hearn of Seattle. Hearn fell three floors down an airshaft and landed in a big, soft easy chair.

Baby Conks Mother

This may sound like Saturday night at the general store, but there isn't a tall story here. The National Safety Council had both feet on the ground when it reported these 1945 freak accidents. They explain their cockeyed tales by stating that people are stranger than movies.

Take Mrs. Edward Comfort of Brooklyn and her 15-month-old-baby. There had been no apparent friction between Mrs. Comfort and little Virginia, up to and including the day they were out touring in the family car. But the baby suddenly stopped drinking her milk out of a nursing bottle and conked her mother on the head with it. Dazed, Mrs. Comfort let go of the wheel and the car overturned in a ditch. Mother and baby were not hurt.

The Treasury Department and deflation experts are concerned over the story that came out of Harrisburg, Pa., this year. 17-month-old Larry Lingle swallowed a nickle and coughed up a penny.

Riding the Rails

Sometimes Paul Bunyan sounds downright tame. He might have made Lake Erie when he stamped his foot one day, but little old Mrs. Margaret Cook of

Toledo blew a tire on her car at a railroad crossing, starting the auto down the tracks toward an approaching freight train, struck a signal switch, threw a red block against the train, and automatically stopped it.

Whether it was a suicide pact or just an accident, no one will ever know. But when Miss Bette Borne of Marinette, Wis., returned home one day last March she found the family's two dogs on the floor, overcome by gas. They had turned on the stove in some manner. They were revived and haven't tried it again.

Every year, the National Safety Council says, someone lets a train pass over him without serious results. In 1945, it was Jesse Spitzer of Denver. He did it the hard way by first having himself an auto accident. This threw him through the roof of his car and landed him on his back just as the train came along. Spitzer lay quietly until the engineer and a long string of freight cars had roared over him. Then he found he had suffered a broken leg in the auto accident.

A Big Hug

Then there was the returning G.I. who was so glad to see his mother that he snapped several of her ribs in a big hug.

And a windstorm in Australia that scared a deliveryman's horse into running away. However, it blew the deliveryman ahead of the horse and he reached up and stopped him.

The best story that came out of the civilian war effort and the tough days at home stems from Newark, N. J. Michael Babich walked up to a fellow worker during the height of the tobacco shortage, facetiously asked for a cigaret, got one—and fainted!

From management's point of view, it sometimes seems that in considering the emotional factors in safety, many individuals regard all accidents as being very unusual things, such as the ones I have just mentioned, with only the oddest of circumstances as the cause. Quite to the contrary, of course, the statistics show that most accidents are of a recurring nature, arising out of very similar circumstances which have existed too long in previous history. All of this naturally makes us more than interested in the detection and correction of accident proneness, or a study of the mental and physical abilities of the individual to perform a given task safely.

Personal Causes of Accidents

Of outstanding importance in indicating personal causes of accidents is an analysis completed by the National Safety Council of 4,800 individual cases which showed that:

> (1) 50% of these cases were caused by improper attitude. This included such things as willful disregard of instructions, recklessness, violent temper, absentmindedness, intent to injure, nervousness, excitability, etc.

(2) 30% were caused by lack of knowledge or skill, such things as failure to understand instructions, unaware of safe practice, unconvinced that practice is unsafe, unskilled.

(3) Only 2% were caused directly by bodily defects, such as defective eyesight, hearing, muscular weakness, hernia, dismemberment, organic weakness (heart), intoxication, etc.

Unsafe Acts

FORTUNATELY, it is not difficult for us now to prove that accidents are not generally caused by "Acts of God," nor are they largely due to mechanical causes beyond the control of the individual employee involved. An analysis of over 1,000 cases by the National Safety Council, American Standards Association, and the American Society of Safety Engineers proved that some 87% of all work accidents involve some unsafe act on the part of the employee. These specific unsafe acts to indicate accident proneness are disclosed in the following order of importance:

(1) Unnecessary exposure to danger—25%
(2) Improper use of, or unsafe tools—15%
(3) Working on moving or dangerous equipment—14%
(4) Non-use of safety devices—9%
(5) Improper starting or stopping—9%
(6) Unsafe loading or arrangement—7%
(7) Making safety devices inoperative—5%
(8) Operating at unsafe speed—3%

Accident Proneness

AS FURTHER proof of accident proneness to emphasize that some individuals cause more accidents than others, are the following examples:

(a) In many industrial companies less than ⅓ of the employees cause more than ⅔ of the accidents.

(b) An analysis of 5,000 cases of accidents involving auto drivers in the State of Connecticut, showed that 72% of the accidents were caused by only 6% of the drivers.

(c) In Massachusetts, an analysis of accidents among utility drivers showed that 85% of the motormen and bus drivers averaged only 2.3 accidents whereas the remaining 15% averaged 8.2 accidents during the same period.

(d) In Ohio, an analysis of accidents among street railway operators proved that 54% of the accidents (more than ½) were caused by 30% (less than ⅓) of the operators.

(e) During the war, psychological tests conducted by the British Navy and Air Forces among apprentices showed that:

(1) The lowest 25% of individuals in the tests had 2½ times as many accidents as all the other 75%.

(2) That the best 25% of the individuals in the tests had only ½ as many accidents as the other 75% individually.

(3) Intelligence tests, as applied to a group of 6,829 industrial employees showed that the lowest 25% had over 4 times as many accidents as the highest or best 25% in the tests.

Detect in Advance

THE major challenge to management in this phase of accident prevention is to *detect in advance* the tendencies of the individual employee towards accident proneness. For this purpose, the following types of tests have proven most useful:

(1) Measurement of aptitude, skill, fitness, knowledge—
- (a) Intelligence or mental alertness (IQ)
- (b) Mechanical Aptitude, (O'Connor)
- (c) Trade (on the job)—welding
- (d) Clerical—Aptitude, achievement, visual, etc.
- (e) Vocational Interest (Occupational preferences)

(2) Measurement of physical defects or handicaps of the individual as normally indicated at time of physical examination for employment- Dismemberment or functional impartment, epileptic, syphilitic, presenile, high blood pressure, feeble minded, chronic alcoholics.

(3) The measurement of attitude or temperament is perhaps the most difficult of the various test procedures—"You can build a guardrail around a band saw—but you can't fence off mental attitudes."

The more common types of attitude or temperament indicating accident proneness are the following: Manic depressive (moody), daydreamers, chronic worriers, crippled personality, lonely personality, paranoid (suspicious) personality.

Make-up of Temperament

THE general rules and make-up of temperament, as classified by Mr. Doncaster G. Humm (the Humm-Wadsworth Test) show the components of temperament to be self-control, selfishness, happiness, sadness (worry), daydreams, stubborness, persistence (inspiration).

(1) Everyone has all components in some degree—No one lacks any one component completely.

(2) Differences in individuals are due to fact that in any person 1 or 2 components are much stronger than the others.

(3) In an individual the strongest components ordinarily overshadow the others, but under strong stress a weak component will show itself.

(4) When 2 components are about equal they alternate in showing themselves.

(5) Any component may be either a help or a handicap, the result depending on how well used.

The best safety records in the United States in recent years have been established by companies whose emotional or psychological approach to the individual have been based upon the following motivating qualities and incentives. It is important to note that the same incentives also apply in a broad sense to the management as well as to the employees.

(1) Self preservation—fear of personal injury.
(2) Personal and material gain—desire for reward.
(3) Responsibility—recognition of obligations.
(4) Pride—desire for praise self-satisfaction.
(5) Conformity—fear of being thought different.
(6) Rivalry—Desire to compete.
(7) Leadership—Desire to be outstanding.
(8) Logic—Special ability to reason.
(9) Humanity—Desire to serve others.
(10) Loyalty—Desire to cooperate.

Motivation

With due regard for the difficulty of inducing the voluntary response and cooperation of some employees these days in accident prevention, even though for their own direct individual benefit, it is interesting to consider the old concept of loyalty as defined by Elbert Hubbard in contrast to the new concept of the meaning of that term by some individuals—that loyalty need not necessarily be a part of today's employment relationships. When Hubbard defined loyalty as part cf employment he said:

"If you work for a man, in heaven's name work for him. If he pays you wages which supply your bread and butter, work for him—Speak well of him—Stand by him, and stand by the institution he represents. If put to a pinch, an ounce of loyalty is worth a pound of cleverness. If you must vilify, condemn, and eternally disparage, resign your position and when you are outside, damn to your heart's content. But, as long as you are a part of an institution, do not condemn it. If you do that, you are loosening the tendrils that are holding you to the institution, and at the first high wind that comes along you will be uprooted and blown away, and probably will never know the reason why."

Self Discipline

Today's approach to accident proneness of the individual employee can well consider mutual loyalty as part of attitude or temperament in the background of the emotional factors in safety. "Four out of five have it." Yes, four out of five injured industrial employees have some responsibility for their injury as involving some personal cause or unsafe act. While it may seem trite to emphasize repeatedly that the normal individual should not knowingly permit himself to be injured,

experience does show that the injured person generally underestimates the probable result of his own unsafe acts.

Management should not hesitate in assuming the over-all responsibility for accident prevention since employees as a whole expect them to be progressive about it. This means the adoption of a program which will ultimately require self-discipline of each employee for the control of his or her unsafe acts. The experiences in the safest companies has shown that their employees recognize and assume their share of responsibility for such occupational injuries. Four out of five of these employees have done it and done it well, and now how about you and yours?

From an address at the Fourth Post-Graduate Course in Industrial Medicine at Long Island College of Medicine.

Most Profit Sharing Plans that Have Been Set up with Much Publicity Have Not Survived the Ups and Downs of Business. The One Described Here has Been in Operation Since 1912.

Eastman Kodak Wage-Dividend Plan

Eastman Kodak Company,
Rochester, N. Y.

It was George Eastman's idea that, where the welfare of his employees was concerned, the Eastman Kodak Company should be "a leader and not a follower." Accordingly, as soon as the company recovered from its early growing pains and became a sizable concern, he turned his thoughts to employee benefits of various kinds.

As early as 1911, the company instituted a formal pension and accident fund, and in 1912 a wage-dividend plan was adopted. Each year since 1912, with the exception of the depression year 1934, a wage dividend has been paid to employees.

Plan Devised by Mr. Eastman

The wage-dividend plan, which has changed little in principle since it was devised by Mr. Eastman, is an important part of the industrial-relations program of the company.

For many years the company has recognized the importance, in the successful conduct of a business, of a satisfactory relationship between employees and management. Fundamental in such a relationship, it believes, is the payment of a fair rate of wages; the provision of suitable and safe working conditions; reasonable hours of work; stability of employment, as far as possible; and a definite intention on the part of management to see that all employees receive a "square deal."

The industrial-relations program includes the essential features just mentioned, and in addition methods for assisting employees in making provision for their economic security and giving them a share in the financial success of the business.

It involves group life insurance, retirement annuities and benefits for total and permanent disability, all provided through a definite plan underwritten by a responsible life insurance company; payments to employees temporarily incapacitated by illness, a medical service designed to conserve health; and vacations and holidays with pay.

The Wage-Dividend Plan

One of the first steps in this program was the adoption of the Wage Dividend Plan under which employees would, in addition to their regular wages, receive a lump sum payment based on their earnings for the previous five years and on the amount of dividend over $3.50 a share declared on the common stock during the previous year.

The wage dividend is paid by the company as an extra return to employees in the form of a dividend on their wages, just as a return to stockholders is a dividend on their investment. It is a recognition in other words, of the part played by the employee in the success of the business.

The wage dividend is dependent upon the company's dividend to common stockholders being sufficient to provide payment under the formula and is subject to annual authorization by the Board of Directors.

Payment has been made, however, each year since 1912 except 1934, when the dividends declared on the common stock in the preceding year had fallen below the minimum requirement of the formula for the wage dividend.

Payment of the wage dividend is made by check, usually in March. The amounts increase or decrease as the dividends declared on common stock increase and decrease, according to an established formula well known to the employees. The wage dividend has never been considered a substitute for wages, and it is not taken into account by the company in establishing wage rates.

Determination of Wage-Dividend Rate

The wage-dividend rate each year is based on the dividends declared on the common stock of the company in the year preceding. Employees participate in proportion to their earnings for the previous five calendar years.

Currently, the rules of eligibility state that: "People at work at the end of 1945 whose service has been continuous since or prior to October 1, 1945, will receive the wage dividend whether or not they continue to be in the employment of the company beyond December 31, 1945. Those hired on or after October 2, 1945, but prior to January 1, 1946, will receive a wage dividend provided they continue to be actively at work until the date of payment."

The formula according to which the wage dividend is paid is briefly this:

For each dollar by which dividends on the common stock during the preceding calendar year exceeded $3.50 per share, the wage-dividend rate is one-half of one

per cent of the salaries or wages received by qualified employees within the five calendar years immediately preceding the date of payment.

1946 Payment $6,814,154

For example, the common stock dividends declared in 1945 were $7.00 per share, or $3.50 above the minimum required before the wage dividend may be authorized. The rate for the wage dividend payable in 1946 therefore is $1\frac{3}{4}$ per cent ($\frac{1}{2}$ of 1 per cent multiplied by three and one half) of the five years' wages. For employees of five years' service or more, this was equivalent to about $4\frac{1}{2}$ weeks' average wages. Employees of less than five years' service participate proportionately.

The wage dividend paid on March 14, 1946, to more than 40,000 employees in the Western Hemisphere amounted to $6,814,154.

Up to the present, and including the wage dividend paid in 1946 the company has disbursed in wage dividends over $66,000,000.

With Cumulative Experience and Use and the Application of Improved Methods, Job Analysis is Becoming a Specialized Field Requiring the Services of Specially Trained Personnel.

Job Analysis, Description *and* Classification

By R. F. Wallace,
University of Houston,
Houston, Texas

Most companies have no definite program of wage and salary administration, and as a consequence their wage structures are often illogical and inconsistent. Different rates are paid for the same type of work due to the influence of such factors as length of service, transfers without rate adjustments, failure to recognize job similarities due to misleading job titles, absence of standard hiring rates, favoritism, and varying supervisor's estimates of the value of particular jobs. Often there is no logical relationship between the rates for different occupations in a company, nor definite standards differentiating the occupations. The variety of rates paid for work of similar character in different plants in the same locality suggest the random manner in which much rate setting is done.

Study of Jobs is Basic

One of the basic steps in any sound personnel program and one which is related to virtually all other aspects of personnal administration is a systematic study, appraisal, and classification of the jobs to be performed. This study lays the basis for determining the appropriate sources of workers, serves as a basis for selection, training, rating, compensation, and transfer, promotion, and other personnel functions. Before these functions can be performed effectively it is necessary to know what jobs are to be done, what types of workers and personal abilities are required, and how these are related to each other.

The importance of this phase of personnel management is expressed thusly by Leonard D. White, one of the outstanding authorities in the field of public adminis-

tration: "Present-day personnel management rests on two major foundations, tests of fitness and position-classification. Without derogation from other important aspects of personnel work, these are the two essentials. Without each of them the personnel system of any large organization lacks the basis on which most other branches of personnel management depend."

The basic importance of systematic wage determination is expressed thusly by John W. Riegel: "As industrial organization becomes more complex, methods of wage determination should become more rational, so that they establish standards of judgment usable by both employers and employees. A number of companies have found that the use of rational methods has increased the ability of their executives and their employees to determine basic wage rates which are mutually acceptable."

Necessary in Big Organizations

The increased magnitude and complexity of governmental and business operations has emphasized the need for systematic analysis and classification of positions. In a small enterprise or a small governmental agency the need for a systematic plan is not so marked because the executive can know the employees individually and make his appraisal on the basis of intimate knowledge of the jobs and incumbents. In the large governmental and business units of today it is obviously impossible for the top executives to be familiar with the multitude of positions, activities, organizational relationships, and personnel under their jurisdiction. It is this situation which makes a job analysis and classification necessary in any sound personnel program.

The increase in the number of occupations and the increasing degree of job specialization and sub-division has complicated the problem of establishing a control over jobs and wages. The lack of standardization of job titles has contributed to the confusion and increased the need for systematic job analysis and classification.

Terminology

The task of comparing public and private practices regarding position-classification is made difficult by the fact that the writers in the two fields use different terms to mean the same thing. The following definitions indicate the relation of public and private practices as reflected by writers in the two fields.

"Job evaluation is the determination of the value or relative value of each job in a company or industry and the fixing of fair wages for that job. It is the determination of the value of the job and not the worth of the employee doing that job." This definition is by a writer on personnel relations in business and industry.

On the other hand, the Civil Service Assembly says: "Reduced to its simplest terms, classification of positions means the process of finding out, by obtaining the facts and analyzing them, what different kinds or 'classes' of positions, calling for

different treatment in personnel processes, there are in the service; it further includes making a systematic record of the classes found and of the particular positions found to be in each class. The duties and responsibilities of the positions are the basis upon which classes are determined and the individual positions assigned or 'allocated' to their appropriate classes."

"Organization is the arrangement of personnel for facilitating the accomplishment of some agreed purpose through the allocation of functions and responsibilities; it is the relating of abilities and capabilities of individuals and groups upon a common task in such a way as to secure the desired objective with least friction and the most satisfaction to those for whom the task is done and those engaged in the enterprise."

Other Definitions

Compare the foregoing definition of organization by a writer in the field of public administration with the following definition by a writer in the field of private administration. "Organization is the process of so combining the work which individuals or groups have to perform with the faculties necessary for its execution that the duties, so formed, provide the best channels for the efficient, systematic, positive, and co-ordinated application of the available effort." (Harry Rubey).

"Organization may be defined as the laying out of the duties of individuals and groups of individuals and of the line through which authority flows, so that the objects of the undertaking may be realized. It must (1) be logical, systematic, and scientific and definitely fix responsibility so as to secure the best results from a given expenditure, and (2) be personal, to the extent of taking into account the human aspirations, requirements, and necessities of the individual members so that their good will and best efforts are utilized and their business relations made pleasant."

In public administration, a position is defined as follows: "A position is a specific civilian office, employment, or job whether occupied or vacant, calling for the performance of certain duties and the carrying of certain responsibilities by a single individual either on a full time or a part-time basis."

Mr. Samuel L. H. Burk, Chief Job Analyst of the Atlantic Refining Company, offers this definition: "A job may be defined as a group of duties and/or operations normally assigned to an individual or, if reasonably alike in difficulty, importance, and conditions, to a group of individuals . . . the words 'job' and 'position' are used synonymously . . . 'job' and 'occupation' are not the same."

We see from these definitions that job analysis in business management and position-classification in public administration are basically the same techniques, differing in details but fundamentally the same.

Interest in Job Analysis

The interest in job analysis reflects increasing pressure on both private and public employers to standardize and justify rates of compensation, a result partly of increasing labor organization and collective barganing. In addition, there is the increas-

ing recognition of the fundamental character of job analysis in the whole personnel program, the fact that many of the personnel functions lean heavily on job analysis. Widespread public programs of job analysis and classification, in part a result of the expansion of state and local civil service coverage, have focused popular attention on these techniques, as has the job analysis program of the United States Employment Service. The salary stabilization program of the War Labor Board and the Salary Stabilization Unit of the Treasury Department have also had a considerable effect toward wider use of job analysis.

Extent of Coverage

Gradually as the benefits of job evaluation and wage standardization become evident, the program is extended to office employees and other salaried workers. The majority of companies with formal job classification plans have restricted the program to jobs paying less than $4,000 or $5,000 a year. Company experience has shown that the classification program for a production department should extend at least high enough to include all jobs which need to be taken into account in the proper maintenance of wage differentials. The first-line supervisory jobs fall within this area.

Objectives

One of the primary objectives of job evaluation is the discovery of job requirements for the purpose of establishing equitable salary and wage scales. Job rating or classifying does not in itself establish rates; it merely establishes the relationships between jobs thus forming a logical basis for determination of wage differentials.

One writer has summarized the objectives of job evaluation in this way: "The broad social significance of job evaluation can be viewed from three aspects: (1) as a means of reducing wage disputes to a minimum, (2) as a means of giving each employee the standard of living to which his job entitles him, and (3) as a means for management to set fair wage values.

Types of Job Analyses

In accordance with variations in objectives and variations in degree of thoroughness with which job analysis work is done, there are many types of job analysis, ranging from the most cursory survey of obvious job features to minutely detailed analysis of each motion (therblig) involved and a careful appraisal of the physical, mental, and social factors affecting the position. In the more thorough methods, special effort is made to quantitatively measure the requirements of the job and to establish standards for job comparison. In large plants and governmental agencies, where it is not practicable for the executives to try to learn and remember the characteristics of the many positions, it is necessary to write job descriptions in con-

siderably more detail than is required in a small organization or one which has only a few types of positions.

Historical Background

The basic principles underlying position-classification are old but the actual techniques as now applied are comparatively new. The desirability of classifying positions on the basis of duties and responsibilities was recognized by a Congressional committee over a century ago, but the actual procedure of position-classification as we know it today was not developed until 1911 when the first general position-classification system was established in the municipal service of Chicago.

This pioneer position-classification work was done from 1909 to 1911 by E. O. Griffenhagen. Griffenhagen also pioneered in industrial application of job analysis in his work for the Commonwealth Edison Company of Chicago. The company's initial printed job classification schedules, covering about 5,000 employees, appeared in 1912. These schedules included a job description of each position, salary and rate ranges, and a systematic job hierarchy. Pioneer work in the field was also done by Harry Arthur Hopf whose principal work was in clerical and technical positions, particularly in banks and insurance companies.

Following World War I, the technique of position-classification spread rapidly; in 1923 the Federal Classification Act was passed. Under this act positions were grouped into five services; the professional and scientific service; the sub-professional service; the custodial service; and the clerical-mechanical service.

Purposes of Job Analysis

Job analysis furnishes the information from which job descriptions are prepared and upon which job classification are based. It determines the characteristics of the jobs. It lays the basis for intelligent selection, for designing the training program, for appraising the working conditions, for systematic wage determination as it makes possible the setting of job standards based on careful comparisons of duties and responsibilities. It facilitates the making of promotions and transfers. It tends toward greater efficiency due to improved placement and frequently suggests methods improvements. It assists management in the proper allocation of authority and responsibility by describing the duties of each position and the inter-relationships among positions.

Job Analysis Staff

A job classification program, in order to be successful, requires the participation of the employees whose jobs are being analyzed, their supervisors, the job analysts, and the management. The planning, supervision, and coordination of the

classification program is usually under the supervision of the personnel executive. In some cases, a specialist in job classification work is employed to organize and direct the program. This job analyst usually is responsible to the director of industrial relations, the personnel manager, or the industrial engineer. The job analyst staff members are usually selected from among the staff or operating department employees who already have some knowledge of the jobs to be classified.

A special job classification committee frequently coordinates the work of the job analysis staff and acts as a board of review on classifications and salary ranges. Such a committee usually includes the head of the job analysis staff, the director of industrial relations, one or two high ranking executives, and the head(s) of the operating departments affected by the program. This committee may determine the scope of the project, advise on general procedures, review the findings of the job analysis staff, and/or recommend classifications and salary ranges to the chief executive for final approval.

The study of comparable jobs in the area and the compilation of "going rates" are usually among the duties of the staff. These are taken into consideration in setting up rates. Final approval of the classifications and salary ranges is usually the responsibility of the chief executive of the company.

Getting the Facts

A SYSTEMATIC procedure must be worked out in each particular organization for the gathering of the information required for the job study program. It should be realized that both facts and opinions enter into the job descriptions and a careful effort should be made to be as accurate as possible in both the facts and the opinions. The personal interview and actual observation of the job by the job analyst is the best method of gathering information. However, the time and expense of this method limit its application.

The Job Questionnaire

ONE of the methods of gathering information regarding the various positions is to prepare and distribute among the employees a questionaire with instructions as to how it should be filled out. When workers are asked to submit job information on questionaires, it should be checked by the foreman or other supervisor, and even then can be regarded only as a preliminary statement.

The questionaire may vary from a very simple one which includes only identification data and a brief job summary to a lengthy, detailed report on all phases of the job. The questionaire is fairly satisfactory for office, clerical, and technical positions but it is virtually useless for craft and manual jobs.

The Job Description

After the information has been gathered, it is written into the job description which is simply a statement of the essential characteristics of each position or job in the organization. The job description should be a well-organized, clear-cut description of the job covering not only the summary of duties and responsibilities but including other pertinent information such as working conditions, promotional possibilities, general and special qualifications required, materials and equipment used.

Job Description Procedure of a Shipyard

In the preparation of job descriptions covering the occupations in the Todd Houston Shipbuilding Corporation, the following procedure was used:

(1) Available published occupational description information was consulted.

(2) This information, coupled with the job analyst's personal knowledge of the occupational duties, was written into skeleton drafts.

(3) A field survey was made in which the actual work of the employees in each occupational classification was studied. The information thus acquired was then incorporated into the skeleton drafts.

(4) The supervisors (Leadingmen, Foremen, and/or Superintendents) of each craft or section were then consulted for suggestions and revisions in the skeleton drafts of the Job Descriptions.

(5) Rough drafts were then written on the basis of the skeleton drafts.

(6) These rough drafts were then carefully studied and corrected in an effort to eliminate inaccuracies, ambiguities, omissions, and to clarify the terminology.

(7) From the corrected rough drafts, the final drafts were then written.

Principal Methods of Evaluating Jobs

There are four principal methods of evaluating jobs; these are the ranking system, classification system, point system, and factor-comparison system. The latter two are probably limited to business and industrial organizations. "In the public service it is not the practice to analyze or evaluate positions by mathematically scoring selected work-factors of specified weights. Some private manufacturing and commercial concerns use this method. Others follow practices which are parallel to those in public jurisdiction."

The Ranking System

The ranking system of job evaluation calls for the arrangement of the positions in order from highest to lowest. The personnel agency works in close cooperation with the line officers in grading the positions from lowest to highest working

from detailed job descriptions. Each job is ranked in terms of comparisons to other jobs on duties and responsibilities rather than in terms of salary or wage rates. This must be done without influence from the personality or efficiency of the present incumbent of the position. The following factors are used in determining the value of the work by C. R. Dooley, Director of Industrial Relations of Socony-Vacuum Oil Company, a user of the system: (1) Difficulty of work, (2) Volume of work, (3) Responsibility involved, (4) Supervision required, (5) Supervision of others, (6) Knowledge, training, and experience necessary, and (7) Conditions under which work is performed. The principal advantage of the ranking system is its simplicity and ease of administration.

The Job Classification Method

By the job classification method a series of grades or classifications is established and the various positions are then assigned to these grades or categories. Walter V. Bingham in a discussion of the system devised by Marion A. Bills for the Aetna Life Insurance Company emphasizes a logical procedure for evaluating clerical operations based on the assumption that every clerical operation consists of three definite phases: (1) doing the work, (2) checking it, and (3) supervising it; and that each phase constitutes a step above the preceding one. In the system used by Aetna, the jobs are first divided into two groups on the basis of the kind of information the clerk must have. The first group includes positions which require the incumbent to know and follow definite rules which cover all routine procedures, and exceptions being referred to a specialist or the supervisor. The second group includes positions which require the incumbent to make decisions in accordance with general policies and principles. These groups are then sub-divided according to the number of rules the clerk must know, the amount of general or technical information required, and the degree of responsibility. Supervisory positions are graded in terms of the number of employees supervised and the type of work performed by the supervised group.

The job classification method is widely used in business and industry, and it is used almost exclusively in public jurisdictions.

The Point System

Under the point system a certain number of job factors or job elements are selected; each of these is assigned a weight or point value, then each job is rated in accordance with this scale. Although the basic principle of the system is good, there is a danger of elaborating it too much. Another danger lies in placing too much dependence on total figures obtained by adding the points granted a position on the specific job factors when the point scales have been arbitrarily established.

The Factor Comparison Method

The factor comparison method involves the following steps:

(1) Preparation of detailed job descriptions for each job,

(2) Comparison of jobs by the use of job factors; these are:

Mental Requirements
Skill Requirements
Physical Requirements
Responsibility
Working Conditions

(3) Selection of fifteen or twenty "key jobs,"

(4) Ranking of the key jobs from highest to lowest in order of the importance of the first factor, Mental Requirements,

(5) Ranking of the key jobs for each of the other factors,

(6) Division of the salary into five parts, assigning one part to each of the five factors in accordance with its estimated importance.

(7) Comparison of the results of step (6) to step (5) and elimination of discrepancies,

(8) Comparison of all the jobs in the company with the key jobs,

(9) Setting up of grades with salary ranges, and placing of each job in the appropriate grade.

Time and Motion Study in Job Analysis

For a number of positions it is advantageous to supplement the above mentioned job analysis procedures with time and motion studies. This is particularly true of repetitive work where the studies of the motions involved may indicate more effective methods of performance at the same time that they facilitate the setting of definite standards of performance on the job.

Time and motion study has traditionally been associated with shop work, but there is no reason why it cannot be applied to office and clerical jobs. This has been done to some extent in business and industry but virtually no progress has been made in this direction in public jurisdictions.

Definition of Time and Motion Study

The aim of time and motion study, often simply called time study, is: "To subject each operation of a given piece of work to a close analysis, in order that every unnecessary operation may be eliminated and in order to determine the quickest and best method of performing each necessary operation; also to standardize equipment, methods, and working conditions; then and not until then, to determine by scientific measurement the number of standard hours in which an average man can do the job."

Time and motion study is simply a refinement of analytical techniques which are applied to the study of jobs. The development of improved methods comes from the systematic study of all the job elements including the most minute. These better methods mean more production, hence benefit the employer, whether public or private, and they are more efficient and less fatiguing, hence benefit the worker.

Standardizing the Work

BEFORE beginning to time an operation it is necessary to standardize that operation. The operation must be studied, analyzed, discussed, and considered from every angle before undertaking the actual timing. It is important to note that this analytical procedure may be the final objective with no time values included.

Process Charts

THE use of graphic methods is particularly valuable in the study of jobs; no other means can give quite as clear and detailed a picture of the component elements of a job. These charts particularly lend themselves to applications outside the manufacturing situation, being suited to the study of many types of jobs. These process charts are conveniently classified into six principal types:

1. Operation process charts
2. Flow process charts
3. Man and machine process charts
4. Operator process charts
5. Progress process charts
6. Miscellaneous types.

Operation Analysis

FOLLOWING the construction of such charts as may be considered helpful by the job analyst and the making of such improvements as are suggested by them is the more detailed operation analysis. "Operation analysis is the procedure employed to study all major features which affect a given operation."

The nine major points of operation analysis are:

1. Purpose of the operation
2. Complete survey of all operations performed on part
3. Inspection requirements
4. Material
5. Material handling
6. Set-up and tool equipment
7. Common possibilities for job improvement
8. Working conditions
9. Method

An important element in the making of an operation analysis is the questioning attitude of the job analyst. Nothing should be taken for granted, but every factor involved in the job should be given careful consideration.

Motion Study

If a further refinement is desired, the technique of motion study may be employed. Motion study ties in with work simplification since it often suggests further refinements in work methods. Motion study requires a thorough understanding of the basic divisions of accomplishment, usually called therbligs.

Micromotion Study

A further refinement in technique is available through the application of motion pictures. This method was first used by Frank Gilbreth, one of the pioneers in scientific management. The use of motion pictures provides more accurate studies than are possible by direct observation of the operation.

Analysis and Classification a Continuous Process

It is important to bear in mind that job analysis and classification is a continuous process and that the installation of a job classification system does not complete the job. The necessity for continuous or periodic revision of the classification system is due to the changing nature of the positions. In the words of one authority, "The position-content of government services and the duties-content of individual positions are not static and immutable. Both change with time, sometimes rapidly, sometimes slowly. In a large jurisdiction, formal changes affecting positions are continually occurring. Existing activities may be terminated, diminished, or modified. Reorganizations, revisions of methods and processes, alterations in flow of work, or redistribution of authority may take place as a result of improved administrative management. Thus, additional and new positions are created, and existing ones are abolished, merged, subdivided, or materially altered. Changes of this sort are normal in a government as well as in any other organization."

As these changes occur, the job descriptions, class descriptions, organization charts, salary schedules, and other phases of the program must be revised to reflect the actual conditions which exist in the organization. To fail to keep the plan current defeats the objectives of the whole program.

Centralization of the Program

Although the job analysis and classification program is the result of the cooperative efforts of the various organizational groups, the actual administration of the plan should be centralized. It is generally placed under the jurisdiction of the personnel agency and this is the logical place for the authority and responsibility for the program to be vested.

Reports by Operating Departments

THE classification program is no better than the information on which it rests. A large part of this information in regard to the exact duties and responsibilities of positions must be furnished by the operating department to the personnel agency charged with the administration of the plan. A system should be designed to suit the particular organization to facilitate the transmission of job analysis information from the operating department to the job analysis section.

Other Sources of Information

IN ADDITION to the above mentioned reports, the job analysis section should use periodic questionaires, investigations, work-audits, and inquiries to maintain current information on the positions under its jurisdiction. The interviewing staff may also be helpful to the job analyst since changes are often reported to the interviewers before they are reported elsewhere. The exit interviewers may also supply information.

Trends and Prospects

THE tendency has been, since the very beginning of the job analysis and classification movement, toward an increasing amount of job study in business, industry, and government. Not only has the volume of job analysis work increased but the intensity or degree has also increased. With cumulative experience and the application of improved methods, job analysis is becoming a specialized field requiring the services of specially trained personnel.

There seems to be little doubt that job analysis and classification will continue to grow and that it will come to occupy an even more significant place in the personnel programs of industry and government. This would be simply a general recognition of the importance now placed on this work by recognized authorities in both public and private personnel administration.

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The term "collective bargaining" is not usually used in describing relations of governmental employee unions with the government, in the words of President Roosevelt, "All government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into a public service." On the other hand, the TVA and other agencies have entered into labor agreements. For an extensive discussion of this topic, see: Civil Service Assembly. *Employee Relations in the Public Service.* Chicago, Civil Service Assembly, 1942.

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Any Technique as Expensive, Laborious, and of Such Wide Import as Job Analysis Should be Subject to a Searching Experimental Tryout in a Small Part of an Organization Prior to Wide Installation and Use.

Job Analysis: To Buy *or* Not *to* Buy?

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After sagging in interest value during the war years, "job analysis" is again on the lips of the majority of personnel administrators, both industrial and commercial. The possible values to be gained from an effective system of job analysis are so many and important that the great majority of intelligent administrators are unwilling to reject such a suggested program without pretty sound and concrete reasons.

The impact of job analysis, however, is so great on a wide variety of personnel functions—job manning, wage payment, promotions, transfers, training, and the like—that administrators are equally unwilling to install a program of analysis unless it can be proved sound and valid. So here is the moot question, a compound one: "Is 'job analysis,' as currently performed, accurate enough and sound enough for us to install it and use it when it touches upon so many important and delicate personnel functions?"

Accept or Reject?

The following items bear directly on the acceptance or rejection of a program of job analysis. A negative answer to *any one* of the following will be distinctly prejudicial to the entire system. None of the points, however, should be interpreted as an objection to intensive, impersonal job study. The intent of this discussion is (1) to guard against a too-early decision as to the limits and methods of such a study, and (2) to outline, in principle, the requirements which must be met by any personnel "tool," be it job study, merit rating, trade testing, or what have you:

Is "Analysis" The Real Objective?

Use *of the term, "job analysis," suggests a lack of precision in thinking of, and in attempting to solve, the real problems.* Never is analysis, in any practical activity, an *end in itself*, it is merely a means *to an end*. The chemist or biologist may analyze the contents of a stomach for a wide variety of reasons—to detect poisoning, to determine nature of gastric juices, as a phase of medical diagnosis, to determine dietary habits, etc. Analysis is thus merely a means—and usually only *one* of the means—of reaching an end result. Consequently, to think of it as *the end result* is a major error—an error suggesting mental fuzziness. It is something like speaking of "going aiming" when one really means that he is going duck hunting.

Will One System Reach All Objectives?

One *single plan of analysis will rarely if ever serve to reach widely different end-objectives.* If the ultimate objective of job analysis is training, the analysis must be shaped toward this end and almost certainly other factors (character of present jobholders; relative effectiveness of available, in-service training devices; outside training agencies available; etc.) also will be used to reach the objective. Consequently, it would seem mandatory that a prospective administrator of a system of job analysis should direct most of his inquiries toward the practicality of the program in reaching the particular end result. Unless he directs his thinking and his questioning toward the concrete and practical problems involved in reaching this eventual objective, he runs a serious risk of being blinded by the sheer beauty of "Job Analysis" in the abstract, and the great returns which such an ideal system could bring to his organization.

Is Pure Analysis a Practical Technique?

Mere *analysis, as a practical technique, is in serious disrepute.* Up to a decade or so ago, American psychology featured pretty exclusively the technique of analysis. Errors resulting therefrom were so obvious that the more practical investigators began using the findings of a group of European scientists who emphasized "wholeness" (or the Gestalt) as opposed to "partness." The theory of this "wholeness" school of thought, and a theory that is abundantly verified in almost every practical application of psychology, is that the *whole* is never described by even the most searching analysis and description of its *parts*. An automobile, for example, cannot be described in terms of the various parts that make it up. Normally it functions, or it fails to function, in terms of how these parts interact, not in terms of their individual excellence. Water, when analyzed, is found to consist of two gases, neither of which can serve as a beverage nor be used to put out fires, as can water.

In up-to-date scientific circles, this principle of wholeness is probably the one most widely used principle at the present time. *Synthesis* rather than *analysis* is what the practical world pays off on. An eight year old boy with a household screw driver can "analyze" his father's watch but a skilled watchmaker then would probably be required to synthesize it.

If this principle of wholeness is applied to one of the major end-objectives of job analysis, there results an approach entirely different from that of pure analysis. The job, for one thing, is not taken out of context, as it is in analysis. Instead, it is grouped with all similar types and classes of jobs. Each of these classes of jobs probably is then compared with other adjacent classes. Departmental influences on the objective, as these affect wages or training or manning, are described. The jobholder also is taken into consideration—is it a man or woman; is formal education or experience the determinant of excellence, etc.

One of the most interesting and important groupso f facts pertaining to current jobs in American business and industry is that pertaining to *trend*, and *trends never show up in static analysis!* Does the trend of the past few months or years indicate that the nature of the job is fixed, or is it changing? Is it getting simpler or more complex? Are applicants for this job getting easier or harder to find? Are new developments and changed processes likely to eliminate the job, or to make it even more important?

Is Job Analysis Objective and Transmissible?

Is job *analysis, as currently practiced, an objective, transmissible technique?* Any administrator of a personnel or management system installs it on the assumption that it will work with highly similar results in the hands of all trained users. If the results of a personnel system or a machine vary with every user, the system or machine is obviously impractical.

In every tryout of job analysis in which the writer has participated for more than a decade, independent users of each so-called system varied so widely in their results as to break down and destroy whatever merit might otherwise have been present. Five different men trained in job analysis working independently on the same five jobs usually will come up with five different answers.

It is possible to train job analysts to reach a much closer agreement than is ordinarily characteristic of the technique. But this training is not of the analytical type. Quite the reverse, it trains the analyst to see the job as a whole and in context. He gets an understanding and a "feel" of the job in relation to all the other jobs in the organization. He thus knows, *a priori*, the approximate answer he should get as a result of the analysis, and he can work toward this answer with the singleness of purpose of the eighth grade student of arithmetic who has his answer-book at his elbow. He can arrive, and often actually does arrive, at an agreement with a similarly trained fellow-analyst which seems to offer pretty convincing proof of

the validity of the system of analysis. But let the two analysts pick an "odd" job out of context and class, and disagreement seems to be the rule.

Is Job Analysis Practical in Terms of Time Required?

Is JOB *analysis, as currently set up, practical from a "time" standpoint?* In a typical industrial or commercial organization of several thousand persons, new jobs are constantly coming in, job assignments are reduced in scope at a time of peak employment, and job assignments also are widened in scope in periods of reduced employment, the employe taking over both his functions and those of the recently departed fellow employe. If a practical, continuing use is to be made of job analysis, each new job and each significantly changed job must be analyzed. If fifteen to twenty per cent of the jobs in an organization employing 10,000 persons change annually, how many man hours of work will be required of trained job analysts in keeping the system up to date?

Has Job Analysis Worked?

JOB *analysis, in its current form, normally has failed even in those areas where it was given an exhaustive tryout.* In discussing this failure, considerable emphasis must be placed upon the fact that, in principle, the very great majority of current job analysis plans are identical. They consist of rating or ranking the jobs in terms of four major characteristics—skill, effort, responsibility, and job conditions. In most systems these major factors are subdivided further and each subdivision named, defined, and weighted (see National Industrial Conference Board Report No. 25, 1940).

One experiment in which the present writer participated several years ago involved a program of some two years with upwards of a hundred investigators participating and with the rental of tabulating equipment alone exceeding $1700 per month. The result was failure, symbolized by the fact that a final correlation showed a negative relationship (−.22) between responsibility and wage! In other words, this system, though logical and mathematically precise on paper, indicated in practice that the greater the job responsibility, the less should be the wage; and the lesser the job responsibility, the greater should be the wage!

Within the last six months, executive representatives of one of the larger Detroit organizations conferred at length with the writer on the question of how they could make a recently purchased and expensive system of job analysis work out practically for them. Their difficulty was one the present writer described in a preceding paragraph: no two job analysts, working independently, could come up with the same results.

In the experience of the present writer, allegedly new job analysis plans differ in no basic principle from the older ones which uniformly failed. True, there are new

definitions and new "terms," but the approach and method and results are identical. Such changes as have been made in the newer plans are something like changing the color of the water pail and changing the brand of the match while continuing the original attempt to get water to burn.

Summary

ANY *technique as expensive, laborious, and of such wide import as job analysis should be subjected to a searching, experimental tryout prior to installation and use.* This tryout need not be on an organization-wide basis. It could well be restricted to a small but representative sample of the organization—some 300 widely varied jobs. The tryouts, however, should answer affirmatively each of the questions raised in the foregoing. A negative answer to any one tends seriously to invalidate the total program.

Book Reviews

Book Review Editor, Mr. Everett Van Every
California Personnel Management Association, Berkeley, Cal.

WHEN FOREMEN AND STEWARDS BARGAIN

By Glenn Gardiner. San Francisco & New York. McGraw-Hill Publishing Co. 1945. 194 pp. $2.00

Publishers and authors have shied away from this subject of the relationship between foremen and shop stewards. Private management is not sure of this field and few publishers have wanted to venture into this comparatively new sphere. The Division of Labor Standards of the U. S. Department of Labor made the first courageous step in 1944 when it published its handbook for foremen and shop stewards and openly declared that this field should be explored rather than avoided. Even then publishers were fearful to promote a business book on such a delicate subject.

Foremen and steward relationships have been discussed for several years in management conferences and industry meetings over the country, but up to this time no one has thought the matter could be put into a business book.

Glenn Gardiner, in his usual succinct style, devotes the first two chapters on the role of the foremen in a collective bargaining era and explains how delicate the transition is from "the boss" stage to cooperatively dealing with stewards and union representatives. The Chapter on the rights and duties of the union steward is somewhat disappointing since there is much more to be said about steward relationships than the author has covered. But he does a fine job in showing all the various tactics in maintaining discipline. Several chapters are devoted to grievance manoeuvers between foremen and stewards: how to handle grievances, twelve ways to prevent grievances, receiving grievances from the steward, how to make a grievance report and what records a foremen should use. Throughout these chapters Gardiner stresses the foremen's responsibility to management. Some may think he overemphasizes the "part of management" version, without clearly defining what part of management the foreman is supposed to be.

Throughout the book I wondered just how much real bargaining the foreman does with the steward. The title and the author imply that they do actually bargain. He says foremen must be skillful in the art of negotiation and that their prestige depends upon bargaining ability. But I don't think so. Gardiner is confusing tactics to win cooperation with bargaining ability and there is a decided difference. The author says "Be sure you are right, then use your best selling ability to win acceptance of your views." Is that bargaining? Maybe I am splitting hairs, but

it seems to me that foremen are sacrificing a very vital part of their prestige if they are compelled to "bargain" and "negotiate" their way through their day's work with the shop stewards. Frankly I don't think the author fully intended to take this stand, but his opening chapter and the book's title (which the publishers may have supplied) stress the bargaining position of the foreman. This much is good for book selling—but a little misleading. If the volume were to treat of bargaining as thoroughly as the title implies, one would expect to at least find the Wagner Act included, so that foremen may know what the National Labor Relations Act is all about.

These several observations should not detract from the importance of the book, for as one of the few rare studies on the subject, it fearlessly explores a field that has long been neglected.

COMPULSORY ARBITRATION OF LABOR DISPUTES

Compiled by J. E. Johnsen. H. W. Wilson Co. New York, N. Y. 1945. 258 pp. $1.25

Reviewed by Paul P. Harrod

Although not a business book, this text is a valuable study for anyone concerned with arbitration. The material is a new volume in a series of small handbooks intended primarily for students, general readers and public speakers. In brief it is a debater's guide of the best source material on the subject of arbitration. Wayne Morse, Almon Roth, Sumner Slichter, William Davis, Florence Peterson, Lee Pressman, Harold Stassen and many others have contributed noteworthy articles to the collection.

There is no question about the increasing national concern over the problem of industrial disputes. The growing hardships and economic toll are no longer a private matter between the parties. During periods of acute stress and work stoppages the subject of compulsory arbitration comes up repeatedly.

The work defines arbitration as a method for reconciling differences between men and groups and is especially adaptable to tensions developing between labor and capital. Throughout the book it is constantly stressed that we have regarded disputes with indifference in the past because we could afford them; but industry and the public cannot afford them today. Increasing taxes, higher costs of production, and higher wages cut the reserves for disputes. However small, they then become a matter of public concern. But should such differences be settled voluntarily or must we compel settlement? The pro's and con's are well developed in this book. You don't know arbitration until you have studied and weighed these viewpoints.

TRENDS IN COLLECTIVE BARGAINING

By S. T. Williamson & Herbert Harris. Twentieth Century Fund. New York, N. Y. 1945. 245 pp. $2.50

This is as fine an appraisal of our present labor-management disputes as anyone could ask for. The material for the study was gathered long before fact-finding became a government strategy attempting to settle major disputes, and yet its summary of recent experiences and appraisal of changing influences in labor relations is an ideal background for surveying the facts that affect collective bargaining.

The Twentieth Century Fund survey, on which this book is based, covers sixteen major industries and summarizes the rise and present scope of labor relations and collective bargaining.

The authors contend throughout this careful study that most of the objections to unions and collective bargaining, including feather bedding and other restrictions of output, are derived fundamentally from fears of job insecurity and job scarcity. To allay such fears management and union leaders must make jobs something more than putting in eight hours a day "when he can" in order "to eat regular."

The earlier chapters define bargaining, relate experiences in the field and tell how it became an issue and later the law of the land when applied to labor-management relations. The chapter on bargaining agencies for workers is an excellent thumbnail sketch of the major union structures in the country; but the chapter on Employer Bargaining Agencies is inadequate and disappointing. The authors are apparently not familiar with the principal employer reporting facilities.

The chapter on Union Recognition is exceptionally well done. The authors explain why unions seek closed or union shops to gain and hold control of their members, defend themselves against hostility of other unions and prevent dwindling dues and membership. They reveal the contention of union leaders that workers who share the benefits of collective bargaining should also share in the responsibilities of union membership; and liken the union shop to the "integrated bar" in states which require lawyers admitted to practice to be members of bar associations.

If the deadlock which has developed between labor and management over their respective "security" rights continues for long, the prospect is that public opinion will force government intervention, the authors contend. They further indicate that since government favors growth and spread of unionism, but rejects the labor thesis that union shop and collective bargaining are inseparable, the outlook for one of three courses in labor legislation appears certain.

(1) Outright prohibition of closed or union shop.

(2) Imposition of closed or union shops under government regulation.

(3) Government regulation of unions having closed or union shops.

If this impasse continues, unionism and free collective bargaining stands to lose.

At the same time the postwar period may weaken labor's economic position and its ability to maintain high wages, but its collective bargaining methods and procedures are not expected to be impaired.

SALARY & WAGE ADMINISTRATION

By Ralph W. Ells. McGraw-Hill Book Company. New York & San Francisco. 1945. 120 pp. $1.50

With the emphasis today on wages and salaries there is an interesting scramble for authentic information on sound wage and salary administration. The demand for books on this subject is surprising, and the dearth of such material is equally amazing. There appear to be a great many reports and sketchy publications on job analysis, wage determination. . . but few of them discuss basic salary and wage premises, the actual working establishment of job normals, fixed rates and rate ranges. There is much glib talk about principles and theories, but actually little information is available on how to establish a standard program of sound wage administration.

The author opens the book with a statement that might well be taken as a fundamental concept in all wage and salary programs. He says the primary problem of salary and wage administration is to divide the weekly and monthly payroll so that the majority of a company's employees believe the distribution to be fair and equitable. Unless a company can solve this problem, it cannot control either payroll costs or turnover. What the employees think to be fair and equitable is an essential part of the compensation program . . . if not *the* essential part. This is the first time we have seen the approach stated in that way.

The author points out admirably that many executives do not realize that it is practically impossible to administer salaries and wages successfully unless a company first establishes a sound salary and wage structure. Chapter 1 makes a good case for adopting salary and wage normals and gives examples of how firms may be paying less than normal in numerous job classifications and not realize it. Apparent "savings" in paying less than the "normals" is frequently not saving at all, but offset by higher employment expenses, decreased efficiency, and higher training expenses.

The chapter on Salary & Wage Theories is exceptionally good treatment and raises a number of pertinent questions that are keys to planning. The author points out why it is unsound to reduce wages from an economic viewpoint because the company tends to lose its most competent employees. He raises the question, too, whether or not 90¢ employees are still worth 90¢ when transferred to 80¢ an hour jobs. If they are (and this is common knowledge) then the theory of paying employees what the job is worth is fundamentally unsound. A few companies have reached this decision and have concluded that single fixed rates for any classification have a tendency to create excessive costs and turnover.

There is no question about the difficulty of establishing a fair rate of pay or what the author calls a true normal for a job classification. Another truth often overlooked: employment of workers of greater ability and skill than appears necessary may result in lower net costs to a company. Too many executives look at the direct cost only when setting wage rates and give very little thought to efficiency of workers, effort expended, rate of absentee and turnover, employment and training expenses. These matters cannot be ignored in establishing the salary and wage ranges.

The controls advocated in this book support the policy of designating the mid-point of the salary or wage range as the normal. Although it is not a true normal it does supply a basis for comparison, and allows for the development of a sound method for controlling salaries and wages.

But even more important than the chapters on Control of Salaries & Wages, Job Evaluation, Seniority Schedules, etc, is the author's viewpoint regarding labor's right to share in the abnormal profits of an enterprise. Of this he makes a good case, almost as if it were the premise of the auto workers' present demands. He makes it clear that unless there is a corresponding increase in the productivity of labor there can be no justification for increasing real wages. The answer is that management must guarantee to labor a fair share of any and all "abnormal profits." He ridicules the contention that such a viewpoint is unsound because labor takes no risk, and is therefore not entitled to any additional return. If capital is inadequate or management is weak, labor cannot help but lose. Labor, therefore, is entitled to shares of the abnormal profits as either of the other two partners—capital and management.

If more companies would establish a sound salary and wage structure and adopt an annual bonus program for distributing abnormal profits, there would be fewer business failures, fewer problems for executives, and a better distribution of salary and wages.

This book is recommended not only for wage and salary technicians but also to top personnel officers and executive managements.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL RESEARCH FEDERATION
Lincoln Building, 60 East 42nd Street, New York City

Volume 25 *Number 2*

Contents for June 1946

Personnel Practices Often Lower the Prestige of Workers Within the Employee Group or Social Group Outside the Plant and so Cause Frictions and Irritations. Hence They Often Create More Problems than They Solve.

Personnel Philosophy

By Lewis K. Johnson
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Amid the confusion and conflict existing in employer-employee relations management may question the value of the apparent progress achieved since World War I in the development of carefully planned personnel programs. Noteworthy efforts to define personnel policies, and to provide protective and beneficial programs for worker groups have resulted, in many instances, in the loss of cooperation, loyalty and goodwill. Needless to say, such a situation tends to defy logic and common sense.

Nevertheless, it should be remembered that workers, like all of us, are human beings and human responses are not entirely motivated by logic nor common sense. However, when it is considered that loyalty and cooperation probably are the normal reactions of the larger percentage of workers, granted that they are provided with the proper psychological environment, attention is directed towards finding the fundamental cause of the difficulty.

Unsound Psychological Foundations

In too many instances personnel programs have developed upon unsound psychological foundations simply because management has not consistently applied fundamental principles which experience has proved necessary in building a sound program. Personnel procedures such as health benefits, annuity plans, induction procedures, wage incentives, foremanship training, rest periods, indoctrination training, grievance machinery and the multitude of other personnel techniques often are found wanting in gaining employee goodwill unless supported by a consistent personnel philosophy.

Use of the term philosophy need not cause speculation; it is neither academic nor necessarily pedagogic. Most of us, as time passes, acquire varied philosophies concerning politics, religion, economics and even moral conduct. It then should not appear unusual to suggest that it is possible to develop a philosophy upon which to base procedures incorporated in the personnel program.

A personnel philosophy represents the fundamental beliefs, ideals, principles and views held by management with respect to organizing and treating individuals at work so that each will get the greatest possible realization of their intrinsic abilities and thereby give the enterprise its optimum results. It is evident that such a philosophy is arrived at only after years of tried and proven experience, research, study and thought. The significant characteristics of a personnel philosophy, or a philosophy developed in connection with any field of activity, are organization and consistency of the fundamental beliefs, principles, ideals and views held.

Expediency Used Too Much

UNFORTUNATELY, in many instances, facts brought to the public's attention indicating the causes of labor strife suggest that management has often relied too heavily upon expediency rather than fundamental principles in laying the foundation upon which personnel programs have been built. In any event, it seems apparent that sufficient time and experience have elapsed since attempts were first made to provide well-rounded personnel programs to codify at least a limited body of principles and ideals which may be considered the basic philosophy upon which to establish and expand any personnel program.

Management Does Not Understand Leadership

IT SEEMS almost trite to state that modern personnel philosophy recognizes that it is the responsibility of management to provide positive leadership for employees, yet in many concerns management is still unaware of the full import of the meaning of the term. Such leadership involves an attitude of mind directed towards earning loyalty, cooperation, interest and goodwill through the process of human understanding and fairness, and consideration for the dignity, self-respect, personal interests and security of employees.

While it is admitted that "fairness" in dealing with employees is difficult to achieve, since it is a matter of personal opinion, positive leadership connotes effort on the part of management to analyze and determine the areas in personnel relationships where "fairness" is involved and, once determined, effort to seek every way possible to achieve "fairness" in dealing with employees. It further implies that for the enjoyment of the privileges of authority, which ownership of a business provides, management assumes the corresponding leadership responsibilities of eliminating "drivership" based upon threats and fear and substituting positive leadership based upon motivation.

Furthermore, it recognizes the fact that workers have many desires and objectives which cannot be adequately satisfied by putting additional compensation in the pay envelope. It is a point of view which willingly admits that when workers come to a company they bring with them acquired traits, fears and habits of thought which cannot readily be regimented or changed. As a result, it becomes the responsibility of management to organize the personnel program so that orderly ways are provided for expression of the dominant traits inherent in the psychology of the working group.

Personnel Activities often Lower Worker Prestige

MODERN personnel philosophy further provides that all executive decisions and personnel actions take into consideration the impact of such actions upon the feelings and emotions of workers. That is to say, management must be ever mindful of possible indignities to the pride and self-respect of employees occasioned by unfair promotions, transfers, wage adjustments, reprimands, discharges and layoffs. Failure to appreciate the fact that personnel actions oftimes lower the prestige of workers within the employee group or social group outside the company merely invites irritations and friction which lead to the loss of cooperation and goodwill.

A sound personnel philosophy also suggests that business must be so administered that its standards of conduct, objectives, policies and procedures instill in workers a feeling of pride of association with the enterprise, and confidence in and loyalty to the administrative and executive leadership existent in the organization. It seeks in every way possible to develop among workers a sense of "belonging," or a feeling that they are an integral part of the organization.

Protect Workers Against Management Inefficiencies

MOREOVER, it extends further than mere recognition that management has fulfilled its responsibility when it has provided for protecting workers against unforeseen contingencies such as accidents, sickness, death, old age and unemployment; it even attempts to provide protection against mistakes and inefficiencies of management. For example, it assures workers a right to earnings when materials are not available due to carelessness on the part of management, when poor quality workmanship results from inferior raw materials or defective equipment, or when machines are idle because of improper maintenance.

It also recognizes it to be the responsibility of management to protect workers against unfair treatment at the hands of poorly selected and untrained supervisors who persist in unwarranted discharges, unfair promotions and discriminations of all kinds. Accordingly, workers are guaranteed that supervisors will be transferred or discharged when they have demonstrated lack of ability to secure cooperation loyalty, interest and good workmanship from those entrusted to them.

Finally, this point of view commits management to the principle of accepting

in spirit as well as in law the right of workers, or their representatives, full and open discussion of all personnel plans, policies and procedures which directly affect them. In other words, this implies application of the principles of participation by means of which the interests of workers are integrated with those of the company by giving them a voice in determining personnel policies, plans and procedures. Only in this way can management hope to assimilate employees in the organization and build a feeling of worthwhileness which is the basic innate desire of all working men and women.

Personnel Principles

Having developed an underlying philosophy, management is ready to check the planning of its personnel program. Planning refers to the predetermination of a course of action to be followed in developing the program. It involves careful definition of objectives and policies, and specifies what is to be done, and how, where and when it is to be done, and who is to be responsible for getting results.

It is the purpose of the discussion which follows to outline, in a general way, principles which appear applicable in developing a personnel program.

Definition of Objectives

The objectives sought in establishing a personnel program are many and varied. Some appear to be universal in application common to all types of enterprise; others must be adapted to the particular situation of individual company. It is possible, however, to suggest a few objectives of general application which evolve naturally from the basic philosophy and previously stated. They are as follows:

1. To secure loyalty and cooperation from employees.
2. To develop a feeling of pride among workers in serving with management in achieving the objectives of the enterprise.
3. To create a feeling of "belonging" to the organization.
4. To assist workers in realizing their intrinsic abilities.
5. To assist workers in developing a sense of worthwhileness.
6. To provide positive leadership at all levels of the organization.
7. To offer employees an opportunity to participate in formulation of personnel plans, policies and procedures.
8. To provide security for employees.
9. To provide equitable wages.
10. To provide training for employees.

Planning the Personnel Program

It is evident that when planning the personnel program, policies and procedures must be adapted to the particular organization problems existent in the enterprise. The number of employees on the payroll, the psychological attitudes of employees, the type of union leadership, the condition of the labor market, the intelligence and leadership of the supervisors and other factors tend to influence the kind of program

developed. In spite of necessary variations, however, it is possible to suggest principles which may be applied in planning any personnel program.

It is probably best to present the principles as they apply chronologically to each phase of the personnel plan. For example, the first question to be considered in planning a personnel program is: What Is To Be Done? It is submitted that principles can be presented which may serve as a guide in determining sources of information to answer this question and techniques may be offered as examples of what can be done to provide orderly expression of the dominant traits inherent in the psychology of the working group. Having considered—What Is To Be Done—the principles applicable to other phases of personnel planning; namely, how, where, when and who is to be responsible will be similarly treated.

Let us consider then, the first phase of planning the personnel program:

What Is To Be Done

Sources of Information which should be helpful in answering this question are:

1. Question representatives of employees, and/or survey the group by means of questionnaires.
2. Have the personnel department engage in research and submit alternate proposals for consideration of employees and top-management.
3. Provide channels for employee suggestions to reach management and follow-up each suggestion by thorough investigation and final action.
4. Study personnel plans, policies and procedures of the more progressive companies.

After thorough familiarity with the field, study suggested techniques for providing orderly expression of dominant traits inherent in the psychology of the working group. These are:

Desire to be placed in job for which best qualified
Desire for individual recognition
Gregariousness
Acquisitive desire
Desire for security
Creative desire
Play impulse
Competitive impulse
Sensitivity to disapproval

There is no need to specify the particular techniques to be used in making provision for the orderly expression of dominant traits of employees. They include such matters as, good hiring and induction, transfers and promotions on a systematic basis, union recognition and group conferences, wage incentives and job evaluation, pensions and good working conditions, suggestion systems, recreation facilities,

safety contests and posted records of production, foreman training in disciplinary measures, etc.

(*Editor's Note. The author lists some ninety six such techniques. Space does not permit listing all these. Those interested in seeing whole list may obtain copies from the author.*)

Adoption of Techniques

ADOPTION of techniques illustrated above should be based upon the following principles:

1. The program should be broad and varied so that a large number of employees can participate
2. Inauguration of the program should be preceded by education of and discussion with the employees
3. Management should not pay the entire cost. Employees should indicate that the activity is sufficiently worthwhile to the extent that they are willing to make a minimum sacrifice to obtain the activity
4. Avoid paternalism. Allow workers to have a voice in determining which activities are to be developed
5. Assist with organization and direction, but encourage administrative participation by employees.

Having decided upon personnel procedures applicable to the particular enterprise then consider principles which should be followed in handling the other phases of planning the personnel program:

How Is It To Be Done

PRINCIPLES

1. Do not inaugurate too broad a program on the start. Choose those procedures which are most acceptable to workers and which will be easily assimilated.
2. Proceed slowly, always cognizant to the traditions of the company and the prerogatives of the "line" executives and foreman.
3. Lay a sound foundation by educating top-management, departmental heads, supervisors and workers relative to the objectives and values of the program.
4. Work through the "line" and not around the "line". Remember the principle of staff relationship. Also that the success of the personnel program depends, to a large extent, upon the cooperation of the departmental heads, supervisors and other "line" officials.
5. Gain prestige and support for the program by having the head of the personnel department report to the higher officials of the company, preferably the president.
6. Do not expect results too quickly. Remember the principle that it

takes a long time to develop cooperation and loyalty. It is a conditioning and motivating process.

Techniques

1. Plan employee conferences
2. Plan executive conferences
3. Develop a training program for foremen, employees and executives
4. Use visual aids-motion picture projectors, etc.
5. Educate through employee magazine, newspapers, pamphlets, and handbooks
6. Plan personal conferences
7. Use weekly bulletins to employees

Where Is It To Be Done

a. The research, formulation of plans and policies will be carried on in the personnel department but in close collaboration with top-management, departmental heads, supervisors and representatives of the workers.
b. Training will be conducted on all levels of the organization.
c Inaugurate new procedures first in those departments and divisions where the greatest cooperation may be expected.
d. Decentralize execution of policies and procedures as much as possible.
e. Centralize all records pertaining to personnel and controlling the labor force in the personnel office.

When Is It To Be Done

a. Scheduling or "timing" when the various policies and procedures in the personnel program are to be inaugurated is most important. This will vary with the condition of the labor market, stage of the business cycle and financial condition of the company; also with the attitudes of top-management and labor leaders.
b. Avoid making changes in personnel policies and procedures during or immediately after strikes or labor difficulty.
c. Start the program only after a period of education has laid the proper psychological foundation for acceptance of the program.

Who Is To Be Responsible

a. The personnel department is a staff department responsible for research, investigation, analysis and formulation of personnel plans, policies and procedures. It also makes recommendations for authorization to proceed with execution of plans and assists the "line" executives, departmental heads and supervisors with training and advice in administering the program.

b. Delegate as much responsibility as practical for execution of the program to the "line" officials such as departmental heads and supervisors.
c. Study carefully each individual's responsibility for each and every phase of the personnel program and check results to see that the program is being executed according to plans.

Summary

It is apparent that the analysis presented above is not an exhaustive philosophy nor an outline of a complete personnel program. The discussion merely outlines one method of approach in planning a personnel program. If the analysis has emphasized the need for developing a basic personnel philosophy and application of fundamental principles it has served its original purpose. It should serve to illustrate, however, in a general way, certain concepts which should be incoprorated in any enlightened personnel philosophy and principles to guide in planning a personnel program.

In fairness to management, one thing can be said: most mistakes in handling personnel relations are errors of omission rather than commission. However, it needs to be repeated over and over that positive leadership demands the best management is able to give. It requires continuous attention and constant application of effort to again the loyalty and cooperation of employees. Personnel management exacts a great deal of hard work from management and, unfortunately, too few executives are willing to devote the time and effort necessary to achieve the desired results.

Few Companies Seem to Realize the Great Variations in Ability of Their Executives, the Variations in Loyalty and the Presence of Jealousies and Even Double-crossing that Exists. So Few Companies Have Coordinators to Obtain Executive Team-work.

Pity *the* Poor Planner

By A. O. Mann
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The Planning or Production Control job is commonly conceded to be the toughest in the manufacturing game. Mortality is high among Planning Superintendents, Production Control Managers, Production Managers, or whatever else various companies choose to call their Planning Department heads. While I have seen no statistics on turnover in the different key jobs in industry, I believe I have seen enough industries to have noted a highly excessive turnover among Planning heads.

They too often resign, collapse from nervous breakdowns, or are shunted into other less strenuous positions. In general, it is a young man's game and even young men have trouble lasting more than a few months in any single company. The tempo of physical, mental, and political demands is such that a man frequently gives up in disgust or breaks under the strain.

Burden of All Ills

In general, the Production Manager is saddled with the burden of all ills inherent in every division of the business. Why? Because he *plans* and coordinates the interrelated activities of all divisions, which in any way bear on production. Such planning requires real or implied commitments from each of the other divisions, and the intermingling of these commitments is invariably complex and complicated. It is extremely difficult for top management to know for a surety, in any unsatisfactory production situation, whether a fault lies in the *doing* or in the *planning*. Because the "planning" is an intangible conglomeration of estimate, forecast, and

outright prophecy, while the "doing" or lack of doing is tangible, visible, or readily understandable, it is usual that planning takes the blame for things going awry. It is much easier to comprehend and condone a machine breakdown than it is to condone the planning that didn't allow or provide for a breakdown. The machine failure begets sympathy, but the lack of production that results from the breakdown engenders impatience.

Master of Alibi

NOT long ago I heard a short conversation between a Vice President and his Production Control Manager, in which the latter calmly explained a very real difficulty that was besetting the Purchasing Agent. When the explanation was completed, the Vice President snorted, "You're a master of alibi. Why don't you get the job cleaned up?" The Purchasing Agent's problem was understandable but the Planning Man's position was not.

The Production Manager, to do his job properly, should coordinate the Sales' requirements with the Factory's capacity; obtain material promises from Purchasing; forecast availability of machines, machine time, and labor when the materials are due to arrive; estimate allowances for breakdowns, scrap losses, ineffiencies, and acts of God; and out of all this, arrive at the desired quantity of finished products to be delivered at a required time. Delivery of the wrong quantity at the right time, the right quantity at the wrong time, or the wrong quantity at the wrong time, all constitute production failure.

Analyzing the cause of the failure is a tough, time-consuming, and almost futile job that most top-management men have neither time nor inclination to attempt. If the Production Manager attempts to present such an analysis, it is usually too complicated and lengthy to make interesting or understandable reading matter, and a top officer can readily adjudge it an alibi on the Production Manager's part.

Things That Can Go Wrong

IN A simple production plan for a single product, all the following things could go wrong on the production order, as they frequently do. The material promise obtained from our supplier could be slightly in error, since it is the supplier's estimate of production possibilities from among a multitude of his own variable factors. His first variable can appear as a delay when our Purchasing Department issues the purchase order later than was anticipated, or issues it in error. After the supplier has shipped the material late, the railroad can have a wreck, misroute the car, run into a blizzard or flood, or merely deliver the shipment late through normal operating routine.

These accumulated tardinesses naturally bring the material into our plant after the planned date. Therefore, the original estimates of machine-time and labor availability are not longer good. The machines have already been put on another

job and the original job must wait to start. When the initial machine finally becomes available, the operator may suddenly become ill or resign or become absent for a multitude of reasons.

The whole plan at each subsequent machine may go askew in exactly the same manner. In addition, one or more machines can break down and need parts from across the country, or require maintenance labor that suddenly becomes ill, resigns or becomes absent for multitudinous reasons. A worn gauge can be used by mistake at one of the operations, and an excessive number of parts be scrapped as a result. A trucker can mis-read the route card and deliver the parts to a wrong location where they can't be found for a few days. The roof can leak and pour water on some of the parts, rusting them and causing additional unwarranted scrap. An operation can be skipped through a control clerk's error.

And so forth, ad infinitum, until much later than planned, fewer parts than planned are brought into assembly, to be put together with other component parts that have struggled through similar precarious travels. The whole thing winds up in a finished situation "too little and too late."

Who Was Wrong?

IN THE above story, who was wrong; the supplier who didn't meet his promise, the Purchasing Department that issued an incorrect order, the railroad that had a wreck, the Production foreman who didn't make the machine available, the Personnel Department that didn't avert the labor shortage, the Inspection foreman who allowed the wrong gauge to be used, the Transportation foreman who allowed the parts to go to the wrong place, the Engineer who let the roof leak, the Maintenance Department who required time to repair the machine, or the Production Manager who should have provided for all these things in his original plan?

Many of these mishaps were simple, understandable errors and everyone can make an error. *But*, we didn't get enough of the finished products by the time we promised them to the customer, and the Company loses money when that happens. So that must not happen and the Production Manager had better do something about it.

What *can* he do about it? Simple! At the time he makes his original plan he can add an extra time allowance to the material supplier's promise, an extra day or two for Purchasing's paper work and errors, a couple of extra days for transportation, several extra days for machine availability and labor contingencies, an *extra* supply of machine parts for all machines to cover breakdowns, and *extra* scrap allowance to cover worn gauges and leaking roofs, etc., and he will finally wind up with enough parts by a definitely promised date.

But when it's all added toegther, the Production Manager's promised date is too far in the future to beat our competitors's delivery promises. The Sales Department

can't land orders with longer cycle times than our competitors quote, so the Production Manager had better do something about that too.

In addition, the excessive equipment stocks, and large advance deliveries of parts into Part Stores which can't be quickly or completely made into saleable finished products, create abnormal taxation and overhead that eat into the Company profits. The Company can't stand excessive inventory, so once again the Production Manager had better do something about it.

Desperation Demands

By this time, having encountered either poor delivery performance or impossibly long cycle times and excessive inventory, our Production Manager is in a quandary. In desperation he decides to rectify the weaknesses that contribute to the downfall of his plans. He demands that Puchasing strengthen its expediting of suppliers so that they *have to* ship material on time. He issues analyses to show that Purchasing needs to place orders more promptly and follow them up more effectively. He issues reports to show that the Traffic Department needs a better drive on the transportation problem. He gets tougher with the Foreman about putting the late job on the machine, and tougher with Personnel on providing a stable labor supply. He pushes Machine Maintenance to develop a record of fewer machine breakdowns and he pushes Purchasing for better expediting of machine parts. He issues reports to show that there is too much scrap and poor inspection. He demands better training and supervision of the Truckers and Control Clerks. He puts pressure on the Plant Engineer to prevent roof leaks, coolant troubles, and the like.

In the course of all this, whether he is tactful, diplomatic, courteous, or not, he can easily give the impression to everyone in every division that he is a meddler, a trouble-maker, a buck-passer, and an alibi artist, telling everybody else how to run their jobs instead of running his own. The Company can't operate without harmony throughout the organization and the Production Manager is now disturbing the harmony, so the Company had better do something about the Production Manager.

While the summary just given seems extreme, it is not an exaggeration of the situations that confront nearly every Production Manager. The wise Company management, acknowledging the likelihoods in these problems, finds the solution when it:

What Is Wanted from Management

1. Gives the Production Manager sharply defined, extensive authority over the Production activities of all operating divisions.
2. Acknowledges and honors the Production Manager's analyses of performance requirements from each operating division.
3. Requires top performance from each division, in accordance with the Production Manager's analyses and recommendations.

What Is Wanted from Manager

In return, the wise Company management expects from the Production Manager:

1. Calm presentation of complete, carefully-prepared, long-term plans for all operations.
2. Brief, simple, but accurate analyses of the performance required from all divisions, to satisfactorily meet the plans.
3. Courtesy, diplomacy, and tact in the coordination of production activities.
4. Satisfactory final results, proven by delivery of the right quantities of finished parts at the right time, without excessive inventories, and at low cost.

This is not a proposal for a post-war Production Managers' paradise, but until general management universally understands and carries its full share of planning responsibilities we will continue to pity the poor planner.

A Good Team Will Work Together Efficiently, So the Temperamental and Social Patterns of Such Teams Should be Studied as Newcomers Either Fit into Them or They do Not with Effects on Production and Turnover.

Labor Turnover Studies

By F. R. Clarke
RCA Victor Company, Ltd.,
Montreal, Canada.

Industry has long recognized that labor turnover is costly and I suspect that some industries have made careful studies to ascertain the cost, but have kept the information to themselves. The West Coast Airplane Manufacturers estimated that it cost an average of $180 to replace an employee. An American firm I know made a very careful investigation of their lowest paid production line labor and found the cost $227 for replacement.

The Wartime Prices and Trade Board gave a formula in their book "A Fair Day's Output from a Fair Day's Work" and I found that on this basis it cost us $127, but some of the items used appeared to be taken out of a hat, although failing anything else the formula has some merit, sufficient in any case to show that labor turnover is expensive.

Practical Use of Studies

A practical use for such information, it seems to me, is that it gives a yard stick for measuring the value of good employee relations. For instance, the average labor turnover in Montreal appears to be 7% per month. Now if your turnover is 4% per month and you have 3,000 employees and your cost of turnover is $100 per replacement, obviously your employee relations policy is saving you $9,000 a month.

This is a sufficiently large amount in any language to justify an investigation into the real cost and to give credit to your employee relations department, or to the amenities which are provided for your employees beyond their wages. If on the other hand your turnover is above 7%, or whatever the community average may be,

then there is definitely a hidden charge against your plant which you would do well to investigate in these days of competition.

Value of Amenities

There is no question but that amenities such as group insurance, vacations with pay, cafeteria, rest periods, sanitary working conditions and conveniences, and many other things have been introduced into different plants in an effort to attract a good type of employee and to hold him; so it should be good business practice, having put the costs of these amenities on the debit side of the ledger, to ascertain what can be put on the credit side.

It must not be forgotten that many studies made and recorded show that wages have not been the most important thing in the minds of workers. This is in spite of the fact that active labor disturbances and strikes nearly always present wage rates as the important reason for the dispute. There is a table in Dr. Herbert Moore's "Psychology for Business and Industry" which shows wages in the sixth place of employees' interest in their job.

Benge Associates in their studies among sixty leading firms in the United States have found similar results and in our own study we have found that the rate of pay was the reason given for resigning by only 4% of those who left us during 1944, and undesirable work as the reason for 2½%. The "labor turnover compared with earnings chart" published by the Wartime Prices and Trade Board also showed that there was no appreciable relationship between average weekly earnings and labor turnover in 173 war establishments and 88 essential civilian establishments in Canada.

More Resign Than Are Discharged

Our labor turnover study commenced in 1943 and was continued for two years during which time the reason for each employee's resignation was recorded first by the Foremen and then by an interviewer in the Employment Department, and in 1945 the records for 1944 were accumulated and analyzed. We discovered, rather amazingly at the time, that more than twice as many people resigned as were discharged, and similar results were subsequently published in studies made by the West Coast Airplane Plants and from a similar study made in Australia.

We found also that at least half of the resignations took place during the first year of service and that approximately 40% of these took place during the first three months. In a study of the age of resignations we made our comparison with that of the age distribution of the workers in the plant and discovered that women were unstable as employees when they were under twenty years of age following which they settled down in proportion to their population in the plant, and that men did not appear to become stabilized until they were over thirty, and that at over forty years of age both men and women appear to settle down into their jobs. Resignations to join the armed forces are not included in these figures.

Two Factors Governing Turnover

There appear to be two main factors governing turnover; one may be attributed to plant policy, the other to the interpretation of the policy by the Foremen. We found by comparing turnover with the size of work groups that there is a clear pattern of low turnover with small work groups where the Foremen are in close touch with their people and high turnover within large work groups. This applies especially among the hourly rated employees, but it is also visible among the salary group. There was a very low correlation, less than .3 between accidents and turnover and between lateness and turnover when treated sectionally, but a correlation of plus .52 between absenteeism and turnover.

Investigation, however, showed that absenteeism was not necessarily a prelude to departure on the part of the individual. It did, however, appear to indicate that if high absenteeism commenced in a section, it was a forerunner of increased turnover. Apparently there would be a working condition at which some people showed their resentment by absenting themselves temporarily while others expressed themselves by resigning from their jobs.

Foremen and Turnover

In this developing pattern of plant policy and its interpretation, a further study was made of relationship between labor turnover and Foremen interest in the instructional courses which the Company provided for the Foremen. These consisted of the complete J.I.T. series as developed by the Federal and Provincial Governments, and also special courses dealing with the handling of human problems.

This was rather difficult to assess since attendance at the classes had been required and had been ignored by only a few Foremen who claimed they were too busy. In addition to attendance an estimate was made of the interest in the classes shown by those who attended, and those with low interest were added to the group of those who did not attend. On this basis we divided the Foremen into three groups, those with perfect attendance and high interest, those with average attendance and average interest; those with poor attendance and poor interest were added to those who did not attend the courses. The result was so extraordinary that we checked it and rechecked it, but always with the same result.

In the first group of Foremen with perfect attendance and high interest 67% were in the low turnover group with 22% in the high turnover group. In those sections of the Foremen who had poor attendance and did not attend the courses 33% were in the low turnover group and 40% in the high turnover group.

Summary of Conclusions

As a summary of today's remarks I submit these conclusions:

1) The cost of labor turnover should be established in each plant and the saving

or extra cost in comparison with the community turnover average used as a credit or debit against the cost of the firm's personnel and employee relations costs.

2) As the bulk of the turnover is among the younger staff and occurs within the first few months, greater attention should be paid to vocational guidance in the schools in order to direct young people to the most suitable types of work, and more attention paid in the plant to the selection and allocation of young people.

3) As pay is not the important factor in separations, and as there appears to be some evidence that firms with good employee relations policies have a lower turnover than others, study on a large scale might be made to ascertain which of the various amenities carry the highest weight, and which, if any, are waste of money.

4) The small number of employees discharged through inability to do the work, or through poor work, and the small number who resigned for reasons of pay or work dissatisfaction, indicates the need for constant study of the other working conditions. A morale director might be as valuable as the Safety director.

5) There is definite evidence that Foreman training when accepted and applied by the Foreman tends to reduce labor turnover. Such training should therefore be continuous, if only by discussions and refresher courses with special attention to high turnover incidents.

6) There is evidence of lower turnover in small groups than in large groups.

7) Numbers 4, 5 and 6 indicate a sense of directed team work, and there appears to be an indication from observation and not statistically shown nor referred to above, that a good team will work together efficiently, which leads to the suggestion that study might be given to the temperamental and social patterns of such teams, as newcomers either fit into them or they do not, with results on production and turnover.

From a paper presented at the Annual Convention of the Psychological Association of the Province of Quebec, Canada.

The Old Time Employee-boss Relationship Has Become Practically Extinct and Has Been Supplanted by an Artifical Attempt to Minimize Employee Problems Through a Variety of Auxiliary Staff Bodies such as Personnel. Hence 1946 Strikes.

The Factory Mind

By Edward J. Redmon
Hollywood, Cal.

Basically, the primary reason for the existence of any organizational unit is to achieve optimum production with the materials, machines, and personnel available. Heretofore, emphasis has been centered around adapting the employee to machines and equipment in effecting increased output. Employees have been forced to adapt their manual dexterity, neuro-muscular skills and physical and mental reactions to the robot-like capacity of power machines. (Morris Viteles, *Occupational Psychology*, "Wartime Applications of Psychology: their value to Industry," January, 1946, Volume 20, Number 1.) The latter is diametrically opposed to more humane concepts in industrial psychology in which human relations are stressed, and the employee is regarded as an integral part of a cooperative work force. In this process the individual is responsible to the social group and reciprocally, the social group has the responsbility of inculcating the individual with the spirit of cooperation and common objectives.

Individuals as Elements in Social Groups

It follows that the individual employee cannot be considered separately but in proper perspective to his relationship with other employees and related social groups. From a practical standpoint the job to be performed by industrial engineers, psychologists and personnel engineers consists of integrating knowledge in the latter fields to bring about purposeful group interaction among factory workers, and thus attain increased production.

Mechanical contrivances must be adapted to the physical and mental capacities of the individual, thereby obviating the necessity of relegating the human being to the role of an automaton.

The factory mind is a complex mechanism, a composite picture of the hundreds of different employee types serviced by a personnel unit. Each worker shows diverse prejudices, motivations and social drives typical of a cross-section of any representative racial or social group. The mere fact that lower-skilled workers represent a lower economic and intellectual strata does not infer their inability to respond to a progressive policy of personnel relations.

Perhaps the greatest deterrent in the current human relations programs has been the lack of faith instilled in the worker by the white-collar personnel representative. The average employee approaches the personnel agency with timidity and fear, and does not reflect the results of wholesome cooperation between the personnel agency and overall employee participation. The factory mind must be re-oriented to accept some of the newer concepts of industrial psychology, and personnel must gain the confidence of the rank and file worker if personnel programs are to attain functional status.

Passive Resistance Against Management

The factory mind is trained at an early age to present passive resistance against management planning. This resistance may be open or quietly dormant, but nevertheless manifests itself overtly in the form of strikes, labor negotiations and costly production delays. This inherent suspicion directed against management planning has become traditional in American industry. In order to maintain a balance between the entrepreneur and the working force industrial relations, staff functions have been created to act as a buffer between the top administrative level and the worker.

Thus, it becomes axiomatic that the greater the hierarchy, the less humanistic the organization, and the greater the gulf between the worker and management. Therefore, the old time employee-boss relationship has become practically extinct, and has been supplanted by an artificial attempt to minimize employee problems through a variety of auxiliary staff bodies.

Idealistically, it is the responsibility of industry to develop the employee to the fullest of his potentialities and capacities. However, competitive capitalism exists primarily to promote profitable enterprises, and does not function altogether to enhance the best interests of the individual worker. Thus, the welfare of the employee becomes a concomitant aim and not the sole motivation behind the industrial relations program.

Authority Behind the Personnel Program

PERHAPS the most striking feature in regard to personnel functions is the lack of authority delegated to personnel agencies to take corrective action against evils in the field of human relations. Personnel departments act only as a buffer between line supervision and higher management, and are not empowered to take directive action against individuals responsible for injustices and inequities. Line supervision quickly senses a weak personnel policy, and consequently the employee's position is made more precarious.

Personnel departments should have some authority to deal effectively with line supervision, inasmuch as the line looks askance at advisory staff functions. If the rights of the employee are to be maintained and newer concepts of industrial psychology applied, personnel men will have to become administrators and not mollycoddlers. It is not inferred that personnel should make decisions on production problems, but should cooperate with line supervision in insuring team-work, fair play, and clearly defined objectives between employees and supervision.

Ethically, personnel units exist to promote the welfare of the individual employee and insure a productive work force, and materialistically to absorb the grief arising from employee problems, thereby shielding top management from a diversity of employee ills. However, newer concepts of personnel administration demand a more scientific approach to the solution of personnel problems than the purely mechanical routine of handling personnel relations.

If personnel decisions are to be followed by line supervision it is imperative that (1) personnel representatives gain the respect of operating supervision, (2) bona-fide personnel technicians administer the personnel program, and (3) the delegation of responsibility and authority from top management to administer the personnel policy.

Employees Motivated by Emotionalized Behavior

THE present disruption in industry can be traced directly to employee attitudes, beliefs, purposes and goals. Employees are motivated primarily by emotionalized behavior, and the latter becomes intensified as the gulf widens between the worker and management. Employees definitely lack a spirit of "belonging" and pride in craftsmanship that existed in the old English guild system and early American industry.

Competitive industry has over-looked the basic psychological fact that pride in craftsmanship and production will partially compensate for, and alleviate the typical conditions culminating the employee grievances. Non-financial rewards and incentives and wholesome stimulation of employee attitudes provide the best methods of reviving an employee's faith in his economic and social independence.

Most Universities Are Very Helpful in Assisting Business and Industrial Companies Set Up Employee and Supervisory Training Programs. Few of Them Bother to Train Their Own Nonacademic Personnel.

Training of Nonacademic Employees

By Donald E. Dickason
University of Illinois,
Urbana, Ill.

Early in 1945, the University of Illinois pioneered—this time not in activities directly concerned with the educational program, but in an area providing absolutely necessary support for that educational program—its relations with its non-teaching staff, its so-called nonacademic personnel. This group of nearly 2500 employees includes over three hundred different classifications in major groups such as office and clerical, laboratory and technical, nursing, physical plant, maintenance and operation, food service, farm labor, printing service, building trades, and the like. The University felt the need for a full scale, highly developed program of employee relations.

Director of Nonacademic Personnel

Accordingly, following months of planning and discussion, a Director of Nonacademic Personnel was appointed in February 1945, and soon thereafter the University Board of Trustees approved a Statement of Policy and Rules Relating to the Compensation and Working Conditions of Nonacademic Employees. This statement itself marked another important forward step, but this article must confine itself to but one activity provided for in the statement and included in the program of activities of the University's new administration department.

As one of the great universities of the nation, Illinois has made major contributions to educational advances in many fields. Through its College of Commerce and Division of University Extension, it has provided especially effective help to business and industry in programs of "in service" training.

During the war its representatives travelled all over the State of Illinois giving guidance and direction to hundreds of business and industrial organizations in training programs for rapidly expanding worker and supervisory forces. The contribution of the University in this field has been outstanding. Ironically enough, however, when it came to its own employees working right on its campus and in close personal contanct with the academic staff, about the only educational advantages available to these employees were those provided simply by geographical nearness to the source of knowledge—sort of an absorption or osmosis process.

With the establishment of the new department which provided a point of promotion and control, immediate support was given by all University departments concerned to an improvement in this situation.

Nine Phase Program

The University now has a nine-page program of employee training. While the primary purpose of this program has been the improvement of the University's service, an almost equally important secondary result has been the improvement in employee morale. Out of all the many new projects and programs which have been fostered by the Department of Nonacademic Personnel, this has stood out as the one most appreciated and valued by these University employees, and also by the academic and administrative staffs.

It has not only made better employees from the standpoint of working knowledge and efficiency, but it has also made happier employees. From every standpoint, measurable results so far obtained point not only to continuation, but to an expansion of that program. The training program has been developed along nine lines as follows:

Pre-employment or Induction Training

A brief session of one to two hours which includes a showing of a Campus movie and general discussion of University practices and policies. These sessions are held twice each week and are attended by those new employees who have come on the job since the last session.

Short Supervisory Courses Adapted from the War Time TWI Program

These run for five two-hour sessions and cover three fields:

A. Job Instruction, setting up the simple principles of instructing a new employee in his duties and following up that instruction.
B. Human Relations, specializing in teaching supervisors to get along better with those above and below them in the organization.
C. Job Analysis, in which the trainee is taught to question his present way of doing the job with the idea of seeing if there is not a better way to do it.

These courses are being given to all nonacademic supervisors of all levels, and have also been given to a number of the academic people who have supervisory authority over nonacademic workers. In fact, the best results have come from sessions in which both academic and nonacademic people join in one course, as these have helped a great deal in causing realization of common problems and approaches to them.

Specialized "On The Job" Courses

THESE include special service provided by such companies as the Bell Telephone Company, A. B. Dick, etc., who will arrange to send someone to the Campus and give intensive instruction in the use of their equipment.

Evening Courses in the Division of University Extension

THESE courses are given without charge, are organized on the basis that they are for the improvement of University service, and are open to all employees whether or not each individual employee could necessarily qualify under that improvement of service qualification. A course in food preparation may be set up, for example, on the basis of a minimum number of Food Service people taking it and will then be open to such employees as office workers until the course is filled, on the presumption that it costs no more to include them and is a good will and morale builder to do so.

These courses normally meet one evening a week for three hours per session, are taught by a regular member of the University staff, and do not carry University credit although under certain conditions examinations could be taken and credit received thereafter. They are given on the employee's own time, but expenses are borne by the University.

The courses given thus far include the following:

Techniques of Supervision
Human Relations in Supervision
Elements of Electronics
Cooking and Dietetics
Child Psychology
Elementary Accounting
University Personnel Administration
Public Speaking
Elementary Mathematics
Wood Shop Practice
Business English
Applied Mathematics
Shorthand and Typing
Radio Shop

Participation in Regular University Classes

THIS is allowed to all employees under the following condition: If salary is $188 or less, no tutition is charged. Time is made up in courses entirely for the employee's benefit, but need not be made up if it is a subject which will benefit his services to the University. If salary is over $1800, fees are charged unless course is for the improvement of University service, in which case fees are not charged regardless of amount of compensation.

Limitations are set out as to the amount of work which may be taken in any one semester, four hours being the general limit, with permission up to six hours in special cases. Entry is permitted whether or not the employee can qualify for University credit, though credit, of course, depends on that qualification.

Apprenticeship and "on the Job" Training for Veterans

These programs are being carried out in a number of different areas in line with the current provisions under the GI Training Laws. At the present time we have such classifications as the following being used for these training programs:

- Senior Laboratory Attendant
- Electrician
- Pressman
- Aircraft Mechanic
- Chef
- Personnel Assistant
- Sheet Metal Worker
- Senior Laboratory Mechanic
- Compositor
- Painter
- Millman
- Dental Xray Technician

Safety Training

This program is the beginning stage, though rather advanced developments have already been made in the Physical Plant Department. There are employee committees on safety which have been elected by groups of employees in clerical, laboratory, and agricultural groups, and these committees will be given guidance in developing better work attitudes on the part of their employee groups.

Office Practice Training in Stenographic Pool

This pool receives new office employees and provides for those without experience a series of two-hour daily instruction sessions to bring the employee into full knowledge of and acquaintanceship with University office procedure, as well as a brush up on office practice in general. A loan service is maintained to provide part-time and temporary office clerical assistance to other University departments in cases of overload of work, absence, and the like.

Girls thus sent out on temporary assignment gain wide knowledge of various University departments and are thereby better fitted to step into a full time position in some one department when an opening develops. This division also operates the University mimeograph service, the work involved in this service providing a good backlog of employment for those in the pool and doing away with the risk of idle time.

At the present time, there is under consideration the installation of a teletype service on the University's two campuses, as well as the purchase of automatic typewriters, both of these services probably to be located in this same division.

Laboratory Relationships with Teaching Departments

The activities and functions of the Personnel Department are used as a teaching laboratory for other departments of the University, and it is hoped that this can develop further. For example, at the present there is a group of graduate students in Industrial Psychology who are working on research problems involving such things as job evaluation, position classification, attitude survey, merit rating, and the like. The department profits by their research and work, and they profit by the practical work and experience gained in a going organization.

In the December, 1945 Issue of the Personnel Journal We Published Material Indicating that It was the Policy of the Australian Government to Discourage Wage Raise Demands and Encourage Security Plans for Employees. Our War Labor Board Followed This Same Policy.

Security Provisions *in* Labor Contracts

By Erwin T. Reisner
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John L. Lewis' insistence upon the setting-up of a union welfare fund, financed by employers' contributions, is making headlines in the daily press. Comparatively few people, however, are aware of the fact that during recent years numerous schemes have been devised which provide protection of wage earners by methods other than those proposed by the United Mine Workers. This protection is achieved by group life and health insurance plans established by collective bargaining contracts. The rapid and wide-spread acceptance of this new feature of collective bargaining certainly warrants attention.

Helps Attract New Members

The Unions' efforts on behalf of group insurance springs from their genuine concern for the physical and economic security of their members, although it is true that a satisfactory insurance clause, negotiated collectively, also adds to the prestige of the union and may be designed to attract new members. Such a jointly agreed upon plan cannot be discontinued or amended unilaterally by one party and, therefore, is not subject to uncertainty. It customarily provides for participation of the union in the settling of claims and in choosing the insurance system. Often these activities are left to the discretion of the union, party to the agreement.

The rapidity with which the unions' desire to include a group insurance plan in their contracts has been fulfilled during recent years must be attributed largely to the wartime wage stabilization policy which required approval of wage increases but exempted from this regulation agreements between unions and employers granting a

group insurance plan. Under this policy many unions succeeded in obtaining an insurance clause in lieu of a wage increase. As the employers' contribution to the cost of group insurance constitutes a deductible item in calculating taxes many employers have yielded easily to this union demand.

Growing Awareness of Need for Protection

ANOTHER manner in which the War Labor Board contributed to the trend toward incorporating group insurance plans in collective barganing agreements was its policy to order the inclusion of a unilaterally established company plan in the contract, provided the union made such a request. These precedent making factors, combined with the growing awareness of management and unions of the actual need for protection against sickness, accident, and death hazards have resulted in the progress toward a goal aimed at by wage earners since the Industrial Revolution. The pending compulsory health insurance legislation has given new impulse to this development.

The first agreements obligating employers to set up and maintain a health insurance fund, as far as could be ascertained, were established in the street-railway and clothing industries. As early as 1926 an arbitration board inserted in the agreement between the Chicago Rapid Transit Company and the Amalgamated Association of Street and Electric Railway Employees provisions by which the employer had to pay the whole cost of group sickness and life insurance for the employees of the elevated lines. By 1928 this agreement was extended to the surface lines (1). During the following years many other locals of the Association obtained similar insurance coverage, fully or partly paid by the companies.

Agreements in the Needle Trades

THE agreements in the needle trades go back not farther than 1940 when the Amalgamated Clothing Workers began to experiment in life and sickness insurance for its members in Chicago (2). In 1941 the International Ladies Garment Workers Union entered into an agreement with the Philadelphia Waist and Dress Manufactures Association, providing for an assessment of 2½ per cent on the pay rolls of the members of the employers' association. This assessment was to go into a fund for the establishment of a system of weekly sick benefits and a medical clinic supervising the health of approximately 10,000 workers (3).

Since then many programs providing for sickness benefits have been established by union contracts, however, only the following unions have developed a national policy as to group insurance: Amalgamated Clothing Workers; United Furniture Workers; United Hatters, Cap and Millinery Workers; Upholsterers' International Union; Federation of Dyers, Finishers, Printers and Bleachers; and American Federation of Hosiery Workers; the latter two are affiliated with the Textile Workers Union (4).

Local Insurance Contracts

Among the unions which have obtained numerous local insurance contracts are the Association of Street, Electric Railway and Motor Coach Employees, the Fur and Leather Workers Union, the United Electrical, Radio, and Machine Workers, Marine and Shipbuilding Workers and others. The great majority of the New York Hotel and Restaurant Employees, and the Building Service Employees in Seattle have obtained a comprehensive group insurance coverage. Here must also be mentioned the benefit programs developed by the Ladies Garment Workers' Union which, although generally not on a strict insurance basis, provide in their contracts for employer contributions used by the unions for the maintenance of health centers, sick-benefit payments and medical services following the pattern set by their first contract. Last year the United Retail Wholesale and Department Store Employees of America set up an employer financed health center with a wide range of services of a type similar to that developed by the garment workers.

Some estimates of the approximate number of union members covered by group plans included in collective barganing agreements are available. They were compiled in the table below, showing nearly 700,000 beneficiaries.

Union Membership Covered by Group Plans

Name of Union	*Number of Members Covered*
International Ladies Garment Workers (AFL)	150,000
Amalgamated Clothing Workers of America (CIO)	125,000*
Textile Workers Union of America (CIO)	100,000
United Electrical, Radio and Machine Workers of America (CIO)	113,000
New York Hotel Trades Council (AFL)	25,000**
Industrial Union of Marine and Shipbuilding Workers of America (CIO)	90,000
American Federation of Hosiery Workers (CIO)	22,000
Fed. of Dyers, Finishers, Printers & Bleachers (CIO)	20,000
United Hatters, Cap, & Millinery Workers Int'l Union (AFL)	6,300
United Furniture Workers (CIO)	3,000
Upholsterers' Int'l Union (AFL)	20,000
Total	674,300

* By January 1945 a contract with the cotton garment mfrs. was signed which eventually will account for 100,000 more members covered.

** Not including 3,000 cafeteria employees covered.

Types of Plans

The above figures reflect the conditions as they existed by the end of 1945, however, many unions, whose contracts are known to provide for group plans, are not listed, due to the fact that data on the membership covered were not available. Further, in judging the figures presented, it must not be forgotten that since their compilation new contracts have been signed, bringing in new members while,

simultaneously, some of the unions listed undoubtedly have lost members due to discontinuation of war work. But, be that as it may, there are presently hundreds of thousands of wage earners who enjoy protection against the hazards of illness and sudden death secured by their collective barganing agreements.

The majority of the plans in existence furnish cash benefits in cases of non-occupational accident and sickness, hospital and surgical expenses, and maternity care. In addition, some of them provide for the payment of doctor bills, laboratory and other services. Instead of cash benefits a number of programs provide for service benefits. Most of the commercial group policies include accidental death and dismemberment benefits. Many of the contracts in the street railway industry grant only such death and dismemberment insurance.

Also in regard to the persons covered the various plans differ from one another inasmuch as some cover only the wage earner while others include the members of his family.

It would surpass the scope of this article to discuss in more detail the various features of the established plans. Except as to administration and financing the group plans, generally, do not differ basically from plans commonly known as company group insurance plans. (Noteworthy exceptions are the programs of the International Ladies' Garment Workers and similar plans mentioned above.)

Administration of Plans

A RECENT study of the U. S. Bureau of Labor Statistics (5) throws some interesting light upon the question of administration and financing of group plans established by collective barganing. According to this study nearly one third of the employees covered by such health benefit programs are under plans administered solely by the union. They are primarily found in the women's apparel industry and among laundry, fur and millinery unions.

To this one-third must be added many plans covered by programs for which insurance companies assume the major administrative responsibility (altogether covering another third of the employees) but which permit the union to choose the insurance carrier and to collect the employers' contributions. Among the latter are the contracts of the American Federation of Hosiery Workers, the United Fur Workers, and the city-wide agreement of the New York Hotel Trades Council. They cover a large percentage of that portion of the contracts, formally listed by the B. L. S. survey as insurance company programs.

Somewhat more than one-third of the health benefit plans are jointly administered by union and employer; this type of administration is established, for instance, by the contracts of the Amalgamated Clothing Workers.

Most Plans Financed by Employers

Irrespective of the method of administration, most of the plans are financed entirely by the employer who generally contributes two to three per cent of the pay roll for maintaining the program. Some of the contracts, however, provide for contributions up to five per cent as, for instance, those of the watchmakers and jewelers of San Francisco. To quote the Bureau of Labor Statistics, actually "all union-administered plans, almost all the jointly administered programs, and more than half of those administered by insurance companies" are paid by the employer alone, in other words constitute non-contributory plans.

This conforms to the tendency in the field of company group insurance which before the war was mostly on a joint contributory basis while the recently inaugurated plans are largely non-contributory. This method of employer financing, apart from relieving the employees of any financial burden, has the advantage that all employees under the union contract are automatically covered; jointly financed plans require the cumbersome solicitation of members in order to enroll the needed minimum number of employees.

Help Create Goodwill

The expansion of collective barganing into the field of group insurance and medical care has resulted in a comprehensive health service for numerous employees well in advance of any state and federal action. It certainly appears worthwhile to study thoroughly the experience of employers and unions who have in operation group insurance plans. In view of the keen interest of many unions to include such plans in their contract the adoption of plans, similar to those operating satisfactorily, may break many a bottle neck in collective barganing and result in creating of good will far surpassing in value the comparatively small costs of such a plan.

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(*2*) National Industrial Conference Board, *Studies in Personnel Policy* No. 70, New York 1945, p. 23.

(*3*) *Eastern Underwriter*, Aug. 29, 1941, p. 27.

(*4*) Baker, Helen and Dorothy Dahl, *Group Health Insurance and Sickness Benefit Plans in Collective Bargaining*, Princeton 1945, p. 31.

(*5*) *Bulletin No. 841*, August 1945.

When a Company Has Recurring Personnel Problems that Prove Difficult of Solution, It Should Make Thorough Diagnosis and Set Up a Treatment Program to Effect a Cure. It Should Not Jump at the Easiest Looking Cure-all.

To Test *or* Not *to* Test

By Leonard Cohen
National Steel Commission,
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Beyond a doubt, properly introduced and used psychological tests can be of considerable value in increasing industrial efficiency. C. A. Drake, in his book, "Personnel Selection by Standard Job Tests", estimates that production could be 35% greater if selection and placement were made more scientific.

Rowntree, in his "The Human Factor in Business", states that after the Rowntree Cocoa Works in England began using psychological tests for employment purposes, those who were hired completed their training in a shorter time than those who were employed before the testing program. Furthermore, the "tested" employees reached a higher level of efficiency than the "untested", the accident rates were lowered, and the numbers of persons dissatisfied with their jobs were reduced. The study of tests results showed on which jobs feeble-minded individuals should be used, thus opening a new source of labor supply.

Tests Little Used. Why?

In proof of the value of tests, Wadsworth gives the following table based on the experience of the utility company in which he works:

Types of employees	*Non-tested employee %*	*Tested employee %*
Outstanding	22	33
Satisfactory	49	65.5
Problem	29	5.5

(Wadsworth, Personnel Journal, 14: 183–187, 1935)

Although from the foregoing, it would seem that psychological tests should be be in universal use, they are not. Douglas Freyer (1) showed that in 1935, less than

10% of the concerns in this country were using tests. Possible reasons for this rather limited use will now be examined.

Six Questions

Before introducing tests, these facts must be determined (2):

Are the present methods of placing and selecting employees satisfactory? If the answer is "yes", the use of tests may not be desirable in this particular situation.

Is there a high labor turnover? If not, the introduction of tests for the particular job in question may not be necessary.

Are there more vacancies than job applicants? If there are, and if everyone who applies (for a certain position) is employed in it, the administration of tests for selection is superfluous. However, in cases of this type in a large concern, tests may very well be used for placement purposes.

How expensive will the testing program be? Unless the program can justify itself from an economic standpoint in increased productive efficiency or strengthened morale, it will be short lived if it is adopted at all.

How much support will management and labor—organized and unorganized—give the testing program? Attempting to introduce tests without both parties actively in favor of the plan is sure to "foredoom" it.

Are the factors needed for success on this job amenable to measurement? If not, tests cannot be used.

When considering the introduction of psychological tests in industry, it is not enough to ask the above six questions about the company as a whole. These factors on each job for which psychological tests are being considered must be ascertained. Tests may be desirable in one situation and not in another.

In industry today, tests are used both for selection and placement of a great number of workers in a variety of occupations and jobs. The tests in use range all the way from intelligence and personality tests to those of finger and tweezer dexterity. The efficacy of any test depends primarily upon three major factors:

1. Its correlation with success in the activity in question which is
2. its validity, which, in turn, depends upon
3. its reliability.

Tests Rough Instruments

Tests themselves are, at best, only rough instruments. Knowledge of a person's test score and knowledge of the correlation of the tests with the job does not mean that a psychologist can tell *exactly* how a person will do on the job. He can predict only how he *Probably* will do, with the prediction approaching maximum probability as the correlation approaches unity (1.00). The usual correlation found in industry between tests and job success is .50. This means that the prediction of a person's job performance (on the basis of his test scores) is only 13% better than a chance guess.

Full awareness of this fact would have discouraged the indiscriminate adoption of psychological tests—with dire results—at the close of the last war. The bitter experience in the post-World War I years has given industrialists a pre-disposition toward not using tests any more. Furthermore, a full understanding of the implication of this fact, the meagre improvement over guessing (even a correlation of .99 improves a random guess by only 86% and a correlation of .70 only improves a guess by 29%) would make the industrialists realize that psychological tests are merely an aid to the experienced employment interviewer. They are another source of information for the employment manager, and cannot, and are not intended to displace his.

Subsidiary factors determining the value of tests lie in the competency of the personnel whose responsibility it is to administer, score and interpret them. Incompetent administration of a testing program, and misinterpretation of scores may, of itself, invalidate an otherwise valuable tool. Many psychological testing programs are wrecked by carelessness in these secondary factors.

Personality Tests Easily Faked

Broadly speaking, tests of intelligence, clerical aptitude, and mechanical aptitude, when properly introduced and carefully used, help select more desirable employees and better utilize (place) the existing manpower. Tests of personality and adjustment, however, are generally not so reliable nor so valid that their use is too well justified. They also are easily "faked". The writer feels that competent interviewing is more valuable than reliance upon personality tests.

Another reason that tests are so sparingly used in industry is the knowledge of the fact that at the present stage of development of the science of psychological testing in America, a separate test must be developed for each type of work or job. When one considers that in a single plant there are hundreds and thousands of job types, it can be seen that the task of developing adequate tests and administering them to perspective employees goes beyond the realm of human practicality (3).

There are still other reasons, however, not within the limits of the tests themselves, that restrict their use. As has been mentioned above, an injudicious use of tests in the past has caused industrialists to lose faith in their value. The loss of faith was strikingly brought home to the writer last year when an executive said sarcastically, "Tests? We've used them before!" And that ended that.

Labor's View of Tests

Labor unions may be opposed to the use of psychological tests. Unfortunately, in the past, unscrupulous management allegedly has used test results to discriminate against union protagonists in regard to hiring, promotion, and lay-off. Although these fears—and the fear that tests may be a new method of stretch-out—are largely unfounded, they do exist (4). And their existence militates against the use of psychological tests.

Tests, if they are to be used at all, should be used cautiously under conditions propitious to their use as determined by the answers to the six questions in the light of the subsequent discussion. New theories and techniques must be developed so that single tests may be used for whole job families and single business and single business and industrial units. And above all, it must be remembered that tests only help the employment manager, they do not replace him.

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2. See H. MOORE. *Psychology for Business and Industry*. McGraw Hill, 1939; Chap. V and VI for more detailed analysis.
3. Rowntree Cocoa Co., Ltd., have developed a single test that can be used for all jobs in their plant, but the discussion of this is beyond the scope of this paper. The reader is referred to the National Institute of Industrial Psychology, London, England, for further information.
4. They were expressed to the writer by the officials of U.E.R.M.W.A. Local 601, and by Mr. S. J. Dearbeck, Director of Trades Training at Westinghouse Electric and Manufacturing Co.

Book Review

Book Review Editor, MR. EVERETT VAN EVERY
California Personnel Management Association, Berkeley, Cal.

THE PSYCHOLOGY OF PERSONNEL

By Henry Beaumont. Longmans, Green & Co. New York, N. Y. 1945. 306 pp. $2.75

This book is looked upon by some informed persons as boldly supplying what may soon prove to be the one crucial need in personnel administration today . . . the psychological approach to management problems, especially in personnel relations. We may be rapidly approaching that era in which the psychologist and his understanding of human behavior will play an important rôle in dealing with workers.

To our surprise we found this book to be a fairly comprehensive study of the major parts of personnel management. Chapter headings include Analyzing Jobs, Selecting Employees, Training Employees, Working Conditions, The Worker's Health, Promoting Safety, Supervision, Merit Rating, Providing Incentives, Adjustments in Occupations, etc. The chapter on Analyzing the Job is a sound beginning in evaluation and wage administration, with thorough emphasis on time and motion study, standards of work, job classification, special job assignments for young workers, women and disabled.

Many of our problems confronted today in reconversion and the rehabilitation of great numbers of men and women to civilian life are simply new aspects of the same old human element in industry. There is nothing idealistic or academic about the human approach. The psychological viewpoint is as essential to management and human relations as engineering knowledge is to the mechanical factors. This book takes the humbug out of psychology as applied to management and the worker, and except for the name of the book, the reader might think he had a business text on general management or supervision. The author describes the methods and policies that have brought practical results for leading manufacturers of the country in handling current personnel problems.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL RESEARCH FEDERATION
Lincoln Building, 60 East 42nd Street, New York City

Volume 25 *Number 3*

Contents for September 1946

Lewis's Twenty-five Million Health and Welfare Fund Will Not Solve the Miners' Problem. There Should Be Well-trained Miners Working in Well Designed and Maintained Mines and a Small Fund to Take Care of Those Injured Instead of a Huge Fund for Untrained Men Working in Unsafe Mines.

Training Miners *in* The Netherlands

By J. L. Herold

Psychologist of the Mining Industry, Holland

Many adult workers have taken time and trouble and have made it their daily task to educate young Dutch miners. A staff of specialists, composed of inspectors, teachers, sports leaders, psychologists, a physician, a minister and some engineers are connected with the miners institute for the sole purpose of educating these same young men. The costs of upkeep of such an institution are considerable, for not only do the pupils receive their training, they are also financially taken care of for the period of their stay at the institute. When we know all this, the following question is bound to arise: Is it right to give so much attention to young miners? Cannot their parents provide for them and take care of their professional education? A corporation should pay wages for labor . . . but should it pay when compensation in the form of practical achievement is missing? The answer must be: It is economically justified as well as ethically right to educate these young men and it is therefore understandable that an extensive staff should be employed to educate them.

Slow in Progressive Development

The miners trade has been comparatively slack in its progressive development; therefore a vocational education had to be established which covered the historical as well as physical and mental development.

At the start of the 14th century coal could easily be tapped. Later, however, when the upper layers had been consumed, the inhabitants of a region rich in coal had to delve into deeper shafts. The miners at that time were their own share-

holders and financiers. Increase in industry brought increasing trouble as a consequence, and the demand for trained workers became the order of the day. Paid workers were engaged, hewers, loaders, pump-men, etc. who all worked under the supervision of a foreman. Technical inventions gradually improved production and brought greater prosperity.

The high wages lured the young strong farmers of the neighbourhood. Accidents and ill health could not stop them. He who dug best was best rewarded. The miner reasoned as follows: State inspection and social responsibility are childish ideas, to be disregarded. A miner is bound to have an accident sooner or later; therefore he should not attach too much importance to that black mountain ghost. . . . A couple of strong arms and a healthy body take care of the bacon . . . . If you dig deep enough and well enough, you make money, the foreman is satisfied and everything is "swell".

Accidents and Errors

Accidents and errors in production are a result of wrong calculations and/or thoughtlessness, of a lack of skill, or of adequate mental development. How many dollars could have been saved if the miner could have been taught that besides strenuous labor and the use of his muscles there is something like a brain and a controlled use of body and mind during his working hours, and during his leisure time. Infections on the hands, elbows, shoulders, silicosis, nystagmus, and furunculose are only a few of the many illnesses encountered in and around the mines as a result of inadequate hygienic care.

It is the task of the (mining) training school to teach the miners hygienic care. We also should bear in mind that not everyone is a born miner; that a miner's industriousness, responsibility and skill are on equal footing with the skipper's, sailor's, mechanic's, or pilot's abilities.

Hygiene and proper use of his leisure hours, his whole mental attitude towards life and his profession influence the worker; they are the basis for his social dependence or independence.

Broad Definition of Trade Education

Training within Industry is much too limited a phrase for the process of adaptation of a pupil to his trade. The word implies improvement of technical ability more than physical or mental adaptability. Let me explain more clearly what I mean. A workman for instance will not remain on the job or abide by certain regulations because of the fact that he is technically capable.

The broader definition for trade education is the complete adaptation of the individual to the work object, with as a result a production optimum and a quicker adaptation on the part of the individual resulting in his uppermost welfare as well.

Many adhere to the opinion that the miner's trade education or adaptation need go no further than up to the moment when he has reached the minimum age to go to work in the mines. I beg to disagree. First of all, the boys should be contacted before they have finished their High School or other compulsory schooling, for I am convinced that the so-called continuation of elementary education can be given with as much success in a miner's educational institution as in a trade school.

Propitious Training

IN ORDER to give you a clear picture of the importance of a miner's training school, I would like to stress three points:

1. Illness and accidents can be checked through special methods of instruction;
2. Ambition and readiness to work can be systematically improved;
3. Desire for work, will-power and feeling of responsibility can be stimulated and developed.

This training is most propitious:

1. When the young individual is still susceptible to training;
2. When guided by his own instructors;
3. When he goes to school in the neighbourhood of future industry or workshop;
4. When following the so-called individual teaching and training system.

Moreover, all those who are in close contact with the young individuals should cooperate to the fullest extent.

The disposition towards illness and accidents can be checked and influenced favorably, as well as disturbances that have been noted prior to employment.

The results of studies and experiments conducted in the psychological laboratories of the OKANJE-NASSAU-MIJNEN in the Netherlands show that the psychological factors contributing to accidents are:

a) inferior intellectual faculties or manual skill and coordination of muscles;
b) inferior asthenical body development;
c) disturbances in the sphere of attention, divided attention and reactions.

Lectures are held to train the miner's intellectual capacity. Courses are given in how to learn to think logically, in how to distinguish between primary and subordinate values. The miner is taught self-criticism and he is taught obedience.

Physical Development

THE posture and *sense of motion* are harmoniously developed during the physical exercises. The chest is widened, the heart, the lungs, the circulation of the blood

and the digestion will be favorably influenced, whilst the development of the muscles and bones will be stimulated.

An intensive training of those factors influencing the *attention* and *reaction* has to be given likewise. For this special reason appropriate games, plays, and exercises are given, which would appeal to these two very important qualities, which are so very indispensable to the future mining laborer. In this connection a swimming pool, a sports field, a wooded open-air centrum and also grasslands, as well as a gymnasium all have been provided for, so as to facilitate the coach's work. Incidentally, in this instance the athletic director should be especially fit to give leadership to the youth he trains as future miners; therefore he himself should know *and like* the profession thoroughly. Ample time should be set aside for regular daily exercises.

Hygienic ways of living, working and playing should be efficiently taught and practised from the very beginning and these are expected to and will eventually greatly influence the incidence of sickness connected with mining as a profession.

Readiness to Work Improved

THE young miner passes a transition period between the time he is engaged by the mines as a 15 year old boy and the time he actually is going down into the pits. This period is about 3 years. He already knows through family experience that the profession of mining entails a serious responsibility, personal judgement, as well as actual heavy physical work. The anticipation of some of these boys is very high; they often are keen to start out, and not infrequently their aspiration is considerable. Others, however, do not share this pride of being a miner, and they consider the lathe mechanics, the electricians, painters or carpenters as being far better off. They harbor the opinion that by a fateful set of circumstances they are "doomed" to the mining profession. Still others are sent to the mines so as to help improve the financial position of the household, this notwithstanding a certain aversion or scare of the profession.

The industrial training school of the mining industry takes in all these youngsters and places them at once in the complete "working sphere", a sphere where the boys who came with high aspirations will not be disappointed and those who came to meet their work in the negative sense will have to be fascinated. Desire and readiness to work take the place of a dull and slack working spirit.

Entirely according to tradition and actual reality the young workers are divided in smaller groups, each of these under a leader, who is a foreman as well as a well-trained miner at the same time. In this traditional sphere, an exact replica of the underground workshops, they learn to execute all activities safely and correctly.

It is of great importance that the instruction be planned systematically, so that a certain result may be attained after a certain fixed period. Taking into consideration a boy's own mental ability and tempo of work, he is enabled to regularly pass

examinations and proofs of his ability, the results of which are noted on a special card. As soon as the whole list of performance tests has been passed, the boy gets a certificate. During each of the three years training the miners' work-readiness is increased. Excellence and continued attention is aimed at, carrying a certain professional pride as a result.

Responsibility Developed

THE division of the boys in groups, which can elect their own leaders,—aside from the professional leader—is perhaps one of the principal points and the basis for cultivating independence and responsibility. These groups are given special tasks to perform, which then are inspected and discussed by other groups and group leaders, thus fostering not only a sense of responsibility and independence, but a critical sense as well, which is indispensable in a good workman and a contingent foreman. This group system is maintained during the work-times as well.

In completion it should be mentioned that one strives for a cheerful and optimistic sphere, and a spirit which benefits not only the work but the mutual relationships between the workers and their foremen as well.

Training as sketched above can only succeed if:

1. it occcurs during the period when the young man is best adaptable to training;
2. it is given under the leadership of the industry's own instructors;
3. it takes place in the neighbourhood of its own industry or workshop;
4. it follows the so-called individual teaching and training system.

In addition all those who come in contact with the young men have to cooperate to the fullest extent.

Suitable Period of Training

IT IS exactly during the period when adolescence gives utterance by experimenting and attempting via sensorical and motorical exercises, in which the young individual literally learns with hands and feet the many things of daily life and all that surrounds him, when nature stimulates and forces him to take cognizance of these new things; in the very middle of the period of adolescence during which his customs, his character and his personality will be formed, for better or for worse, that the training institute offers the opportunity for experiments and exercises to learn especially those things which are good and useful qualities in a ready and willing expert.

During this period it is still possible for the young individual to change his natural reactions and methods as a result of own individual experiences. The training of the youngsters to change their range of perception and attentiveness, and the training of quickening their reactions, enabling them to act speedily and efficiently in unexpected situations, is based on this principle. Experiments have demonstrated that the motorical and intellectual components respond to training during

the learn-and-work process method as sketched above, although of course the nature and the degree of trainability of the individual and the quality of the exercise will be of influence also. However, it is of great importance that the period during which habits are formed is limited. The growth of the nervous system and of other organs and functions as a result of exercises is biologically limited. The exercising of a certain organ is related to a certain period of ripening, and to let this period pass unused would entail harmful consequences. The period fixed by nature for learning and acquiring important functions of life starts well before the fourteenth year, and although it changes according to the individual, in the case of the male adolescent it generally extends itself to 18 years of age and over. The industrial training is providing the opportunity to bring these young men into a well chosen worksphere, especially during this critical period, and to awaken in these youngsters a favorable disposition regarding the work.

Leadership of Industry Instructors

IT STANDS to reason that an institute which is a training school of ready and qualified workers should have a staff of excellent technical instructors, who should moreover be of outstanding character and personality. Instructors from their own industry,—provided they are equal to their task—have their own part in the production. This fact enables them to heighten the mentality of the young workers, to point out to them the assets and desirability of prosperity in their own industry and to do this far more successfully than an instructor not connected with it.

Neighbourhood of Own Industry

THE question has been asked more than once: "Should the practical training of the apprentice-miner immediately after putting him to work in the shop be solely based on his work as a miner, or should elementary training be given by teaching him first some of the principles of activity, such as carpenter work, simple construction work, measuring, drawing, etc. in an attractive and well-aired workshop, or should it take place right away in the sphere where the miner practices his heavy and more or less dangerous trade: the stone and coal gallery?"

One has to build on the mental constellation and the sphere of interest of the young mining apprentice and the demands put by the global teaching method according to the principle of self-work should be taken into consideration. During this stage of their development the youngsters characterize themselves by their urgency for the realities, practical sense, great ambition and attention to everything that is new to them, including the new vocation; but on the other hand they also show a dangerous instability which may cause unmotivated changes of jobs. It is therefore of the utmost importance that from the very first day with the Company, they should live in the sphere of their new profession.

A training plan for miners should take into consideration the fact that a mining apprentice should be taught only as many by-trades as are necessary for the exact

execution of his underground mining trade. Therefore they should be incorporated into the sphere of the real mining work as soon as possible after completion of their lower grade schooling, and they should not be connected with the upper-level trades and workshops, like carpenter shop, electrical shop, construction division, etc. more than is absolutely essential to their *ultimate* training.

Individual Training System

In connection with the foregoing we should like to summarize in a few points why the individual teaching method is more desirable than the classical one.

Each individual has his own mental level, his own tempo, his own character and temperament. If these individuals are all placed together in one class where during the same time-limit and in the same tempo all pupils will have to learn by the same method, then it is quite clear that a unity of teaching will ensue, which would very often deserve the designation of being a "premium on mediocrity".

The individual system of teaching divides the instruction in yearly,—monthly—and weekly tasks. These are adapted to each individual's own level, teaching him to think independently, in other words: teaching him to think, meanwhile giving him a certain leeway in developing his sense of self-control and self-discipline. The boy can perform more or less difficult tasks according to his own level and temperament. An efficient preparation and exact control should simultaneously aim at systematically higher demands and therefore systematically higher level of achievement. Another great advantage of the individual method of teaching lies in the fact that the breaking up of "teams" does not cause any disturbance, a circumstance which cannot always be avoided in practice. This method of individual teaching seems to be of American origin.

Group Training

The group system of training which is also used in our training schools couples the advantages of the individual method with some of the undeniable advantages of the classical system, that is (1) A healthy competition is the result of working together; (2) Many youngsters would rather learn from their comrades than from their instructors.

It stands to reason that a training method as outlined above, which takes place during the period when the young man is very susceptible to good and bad influences, can only be successful and give the desired results if all and everyone of their leaders are cooperative, unamimous, and endowed with the qualities of real understanding and firmness.

Follow-up Training

It is very important that the young men should not be left to their own devices after completion of their examinations. A boy can learn much during his stage of development, but he can equally forget a lot. They should therefore not only be

under constant supervision of a foreman, but they should also be given regular practical instructions and exercises, preferably in the underground workshops. From time to time all the old pupils have repetition courses and reunions with their instructors and foremen, whose task is by no means the easiest one. They have to have a good understanding of the aim of all this and they have to really enjoy and like their chosen kind of work. The foremen should understand that the young workers should get general practice and therefore they should be given various tasks. He should consequently have tact and patience. The "mynvader" and the foreman should understand each other, so that ultimately they may reap the fruits of all this loss of time and extra work. In this way the real practice will not prove to be a disappointment for the young miner.

This system of continued training and supervision has some more advantages: The intelligent, handy and smart boys have already been selected during the psychological examinations on the first day of their arrival at the mine. We can follow the development of these boys systematically during their period of training and working above ground. After the second examination and before they go under the ground, we can register this progress. But at this point an entirely new life and quite a new work period starts, and therefore we continue the teaching, but also keep on observing during the real mining work. During the now following period we can establish whether the boys which were chosen originally as possibly outstandingly excellent workmen, will prove to be such. They are the candidates for the training school of foremen and other supervising personnel.

Supervisory Training

The miners who go to the mines at an older age have to pass these examinations too and will follow special training courses in the underground workshops. They too will be systematically trained and observed. When these men are enrolled in the efficient and smoothly functioning training school where a sphere of correctness and discipline prevail, then the older beginners will soon be influenced.

Before we started with our psychological training work in the Netherland mines, the following system was in use when selecting future foremen: To be a foreman one had to follow a 4 years' course of theoretical study which was taught after the working hours were over. Those who continued to follow this very trying combination of hard physical labour and after-hours study, those men had proven to be capable of sacrificing much so as to be foremen. If they did not continue their studies, they automatically were eliminated. The result was that many good leaders, who did not have the mental ability or who had to take care of their families, and therefore did not have enough time left for study during the night, were eliminated.

Not unfrequently the over-ambitious "pushers" finished the school and considered themselves better than their former co-workers, whom they proceeded to drive to more output in a most untactical manner. Also many a time the sons of friends of the bosses or the older foremen's sons finished the school because they had

more time to study. This method was of necessity very unsuccessful and unpopular. We now try and select those who have shown to possess the qualities of leadership, having the mental and physical ability foremen are made of and we consequently train and instruct them to be experts as well as solid, enthusiastic and intelligent workers and team-captains. They learn how to get good work out of their team, and they know that the safety rules are not more paper ballast.

Social Advantages

From these primary-, continued, and leaders training schools in the mining industry we are expecting a better state of health, a minor rate of accidents and a better disposition towards work; the mine indeed counts more healthy, more intelligent and more ready workers, and the work is done better and more safely.

The social advantages should not be underrated. The higher output of work after a shorter training period gives the worker the opportunity to get higher wages sooner. This result and the increased attention that is given to the miner as an individual as well as the laws enacted for the enforcement of security and safety will go a long way to attain the solution of one of the most difficult problems of a well-run industrial organization: the stimulation and stabilization of a sphere of trust and confidence between employer and worker.

Often Executives Who Are Used to Pushing Buttons and Ordering Things to Be Done Fail to Realize That Union Leaders Must Assume the Dual Role of Political Leader as Well as Administrator.

Mature Labor Leaders

By Benjamin M. Selekman

Graduate School of Business Administration, Harvard University, Boston, Mass.

The development of mature union leaders is one of the imperatives of our times, says Benjamin M. Selekman, Kirstein Professor of Labor Relations at the Harvard Graduate School of Business Administration, writing in the Summer Number of the *Harvard Business Review.* "The greatly augmented power that has come to organized labor during the last decade," he points out, "creates a portentous, challenging problem in 1946."

Developing the theme set by the article's title, "Wanted: Mature Labor Leaders," Selekman observes: "The demand for responsible, for mature, labor leaders grows ever more insistent, and rightly so. But it remains also largely exhortation—or denunciation. We have yet to ask soberly just what such maturity entails for the labor leader in the concrete content of his daily job. We have yet to put ourselves, each one of us, in the place of the union official who would honestly meet the full responsibilities of his strategic role in industry, and then to analyze just what this means in terms of specific performance. . . .

Unrealistic Expectations

We seem to subject these labor men to an unrealistic standard of expectations. They are expected to enforce a disciplined observance of agreements upon the most restive membership—and at the same time to submit to its democratic control; to serve simultaneously as instruments of the group will—and as curbs upon it. They are criticized for entering negotiations without power to settle—or with that power backed by a strike vote against the eventuality of failure to settle. They are exhorted to accept a wide responsibility for safeguarding economic welfare—and to

keep hands off all but a narrowly defined area of shop decisions. They are frequently classed with racketeers who pursue their predatory way outside the law—and with politicians who get out the sovereign vote that remakes the law."

Yet when every allowance has been made, Selekman insists, "the central challenge for mature union leadership stems from a very specific internal change peculiar to American labor organization. From marginal, barely tolerated institutions, trade unions have become within the past decade outstanding aggregates of group power in the nation. The long historic struggle for recognition has ended. Today no union can be denied the right, through the processes of collective bargaining, to speak for the employees who give it a majority mandate.

Transition from Fighting to Administration

Seasoned union officials have long recognized the grave difficulties that arise when local leaders and members both must convert their relationships with management from the conflict over recognition to the cooperation implicit in a signed agreement. Today organized labor as a whole faces this self-same transition from fighting to administration."

"Over and over again," Selekman declares, "the mature labor leader confronts one essential test for every policy he frames: Does it enable him to meet simultaneously the requirements both of the dynamic protest movement for which he speaks and of the stable, complex administration which he must serve? Because he is the spokesman for his members, his leadership of them along this double-tracked road of advance entails relationships not only with management but also with government, other union officials, and the public.

"Strong emotions are evoked in all these relationships as the members pursue their drive for ever-improving conditions of working and living. But for the leader who accepts the demands of administration, a simple rule can guide his adjustment to these human factors of feeling and sentiment: he never as an administrator evokes emotions beyond the limits of their release in legitimate action.

Residual Antagonisms Linger

Thus it is, in dealings with management, that even if a strike for higher wages must invoke its fighting symbols, the leader keeps always in mind the implications of the ultimate resumption of relationships. Hostilities, no matter by what cause engendered, are not turned on and off; residual antagonisms linger to inflame the run-of-the-mill issues of daily administration. Just so, incessant pressure for rising living standards belongs to the accepted arsenal of a protest organization; but when the right of that organization to present demands has been recognized, the size, timing, and achievement of each demand must be related to the condition of the shop, the industry, and the economy, in terms of the production from which all returns ultimately are made to the producers, including workers. . . .

"Every line of scrutiny, every angle from which the union official's job may be examined," concedes Selekman, "leads to a very real and sympathetic respect for its paradoxical complexities. Indeed, so bristling are the difficulties that they make it almost naive to expect any quick achievement of the maturity that all would agree is indispensable.

Swift Movement in Direct Line Impossible

GIVEN the contradictions of his own role, the rivalries within his own movement, the pressures of his own members in a time of upheaval and confusion, the most administratively minded union official cannot move swiftly in a direct line toward new objectives. He remains always a political leader, and even the maturity he eventually achieves will be conditioned by this characteristic nature of his role. It will, by reason of that central fact, differ from the maturity of the management leader, who from the start, and always predominantly, functions as an administrator.

"The question may well be asked: If labor leaders encounter such difficulties in achieving maturity, is not legislation the surest remedy? Can the community afford, in our interdependent society, to wait for time to shake down the rivalry, the turbulence of union activity that shuts down essential industries and services? . . . Suffice it to say that no legislation anywhere among democratic nations has yet succeeded in compelling men to work when they feel themselves sufficiently aggrieved to lay down tools. . . . If it is strikes we want to curtail—and that is the heart of the public concern—we had better be painstaking in devising a legislative program. Carefully considered legislation may be of help, but haste and punitive action will aggravate rather than relieve. . . .

Imperturbable Tempers Needed

ALL of which, at this particular juncture of events," Selekman reminds us, "obviously places a heavy burden upon the industrial executive, as compared with the union leader. The greater extent to which the responsibilities of his job have been realized, the growing recognition that he must keep the business solvent for the sake of employees as well as of stockholders, the stark fact that unbridled industrial conflict may wreck the social and industrial structure, his own reluctance to permit legal compulsions any entering wedge in industrial relations—everything places upon him the prime responsibility for mature and understanding behavior.

He must hold steady in a tensely trying situation so that the nation as a whole, and the unions in particular, can "catch up" with the unwontedly swift developments that have been transforming industrial relations. The more maturely he handles himself, the more likely the creation of that atmosphere in which the union executive also may come to feel he too can function as a mature administrator."

Selekman concludes his article, thus, with an injunction to business managers and union officials alike: "Never before have the men at the helm in industry needed for labor relations so steady a hand or so imperturbable a temper as now."

The Passage of Public Law 87 and the Issuance of Administrative Regulations Related Thereto Represent a Form of National Recognition of the Important Service Rendered the Nation by Wartime Merchant Seamen.

Reemployment Rights *of* Merchant Seamen

By Lt. William G. Torpey
U. S. Maritime Service Headquarters, Washington, D. C.

As demands upon the American Merchant Marine diminish in our present transitional period, and as wartime merchant seamen return to shore-side employment, the question frequently arises with respect to the reemployment rights, if any, which wartime merchant seamen possess in their former jobs. The purpose of this article is to outline the extent to which such men are entitled to their former positions under present federal regulations.

Congress recognized the desirability of extending reemployment rights to wartime merchant seamen by passing Public Law 87, which became effective June 23, 1943. The law and subsequent rules promulgated by the Administrator of the War Shipping Administration, pursuant to the Act, embrace the procedures for securing these rights.

Service Defined

The term "service in the Merchant Marine" is defined by Public Law 87 to mean (1) service as an officer or member of the crew or or in connection with a vessel documented under the laws of the United States, or a vessel owned by, chartered to, or operated by or for the account or use of the Administrator of the War Shipping Administration; (2) service as an enrollee in the United States Maritime Service on active duty and (3) to such extent as the Administrator prescribes, any period awaiting assignment to such service and any period of education or training for such service in any school or institution under the jurisdiction of the Administrator.

The Act further provides that any person entering service in the Merchant Marine after May 1, 1940, and before the termination of the unlimited national emergency declared by the President on May 27, 1941, who, in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration, com-

pletes a period of substantially continuous service in the Merchant Marine, is entitled to a certificate to that effect from the Administrator upon the completion of such a period.

Who Must Be Reemployed

Reemployment protection is afforded by the law to the individual who, in order to perform service in the Merchant Marine, (1) has left or leaves a position, other than a temporary position, in the employ of any employer, (2) receives a Certificate of Substantially Continuous Service from the Administrator of the War Shipping Administration, (3) is still qualified to perform the duties of such a position, and, (4) makes application for reemployment within forty days after completion of such service. If the individual's former position was in the employ of the United States Government, its territories or possessions, or the District of Columbia, such person must be restored to his position or to a position of like seniority, status and pay.

If the individual's former position was in the employ of a private employer, the employer must restore the individual to his position or to a position of like seniority, status and pay, unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so. If the individual's position was in the employ of any state or political subdivision thereof, it is declared to be the sense of Congress that the individual should be restored to such position or to a position of like seniority, status and pay.

Public Law 87 further stipulates that any person who is so restored to a position must be considered as having been on furlough or leave of absence during the period of service, and he must be so restored without loss of seniority. Such a person is also entitled to participation in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person entered the service. Moreover, the individual, so restored, cannot be discharged from his position, without reasonable cause, for a period of one year after such restoration.

If any private employer fails or refuses to comply with the above provisions, the district court of the United States for the district in which such private employer maintains a place of business has power to specifically require such employer to comply with such provisions. As incident thereto, the district court may require the employer to compensate such person for any loss of wages or benefits suffered by reason of the employer's unlawful action. This district court is directed to order a speedy hearing in any such case and advance it on the calendar.

U. S. District Attorney Supervises Compliance

Upon application to the United States District Attorney or comparable official for the district in which such private employer maintains a place of business by any person claiming to be entitled to the benefits of such provisions, the United States District Attorney or such official, if reasonably satisfied that the person so applying

is entitled to such benefits, must appear and act as attorney in the amicable adjustment of the claim or in the prosecution thereof for the purpose of requiring such employer to comply with the provisions of the law.

Eligibility

By virtue of Public Law 87 and the regulations issued pursuant thereto by the Administrator of the War Shipping Administration, a person must meet the following conditions in order to be eligible for reemployment rights under Public Law 87:

1. He must have left a position, other than temporary position, in order to enter the Merchant Marine.
2. He must have entered the Merchant Marine after May 1, 1940, and before the termination of the unlimited national emergency, declared by the President on May 27, 1941.
3. He must still be qualified to perform the duties of the position which he left.
4. He must make application for reemployment with the former employer not later than forty days after the date of his Certificate of Continuous Service.
5. He must have served in one of the following categories in the Merchant Marine:
   (a) As an officer or member of a crew on, or in connection with, a vessel documented under the laws of the United States, or owned by, chartered to or operated by or for the account or use of the War Shipping Administration.
   (b) As an enrollee in the United States Maritime Service.
   (c) As an enrollee or student in any school of instruction, including the United States Merchant Marine Cadet Corps and any State Maritime Academy under the jurisdiction or supervision of the War Shipping Administration.
   (d) As a person awaiting assignment for service, as defined above, to the extent that such period is established to the satisfaction of the Recruitment and Manning Organization or Training Organization, as the case may be.
   (e) In any combination of the foregoing.
6. He must apply and receive a Certificate under Public Law 87 certifying that he has completed a period of substantially continuous service.

Service Credits

The determination of eligibility for a Certificate of Continuous Service is particularly significant. The Administrator deems the service of any seaman in the Merchant Marine to have been substantially continuous if such seaman continues in such service seventy five per cent or more of the time elapsing between the date upon which he entered such service and the completion of his period.

Seamen are credited with service in the Merchant Marine (1) for any time during which a seaman may be disabled for active employment in such service as a result of

illness or injury not caused by his own willful misconduct, (2) for any time required for his repatriation following his separation from the vessel for any cause not due to his own neglect or willful misconduct (3) for any period of service aboard a public vessel (4) for the period between the submission of an application for a certificate and issuance of such certificate.

To the requirement that a person must continue in the service up to or at the termination of the unlimited emergency, in order to be eligible for a certificate, there are two exceptions: (1) a seaman who is permanently disabled for further service in the Merchant Marine as a result of illness or injury not caused by his own willful misconduct (2) a seaman who is released by the Recruitment and Manning Organization of the War Shipping Administration or the Training Organization of the War Shipping Administration, because it is found that, through no fault of his own, his contined service in the Merchant Marine is no longer desirable or necessary.

Applications for Certificates

APPLICATIONS for a Certificate (WSA Form 77) are obtainable at all regional and port offices of the Recruitment and Manning Organization and at all schools or institutions under the jurisdiction or supervision of the Administrator of the War Shipping Administration. If, at the time of application for a Certificate, the applicant has most recently been engaged as an enrollee in the Maritime Service, as a Cadet-Midshipman, or as an enrollee or a student in any school or institution, the application for the Certificate must be made through the Training Organization. Applications of all other seamen must be made to the Recruitment and Manning Organization, War Shipping Administration, Washington, D. C.

Applications for Certificate must be submitted by the applicant promptly after his separation from the Merchant Marine, since delay may so lengthen the time elapsed between (1) the time he entered the Merchant Marine, (2) the date the Certificate is issued, as to make the period of service short of the seventy-five per cent of the total time elapsed. In the case of any seaman who is permanently disabled for further service in the Merchant Marine as a result of illness or injury not caused by his own willful misconduct, an application must be submitted not later than thirty days after the expiration of a reasonable time for medical treatment and recuperation.

In the case of any seaman, with respect to whom the Recruitment and Manning Organization or the Training Organization finds that, through no fault of his own, his continued service in the Merchant Marine is no longer desirable or necessary, an application must be submitted not later than thirty days after the date of his release. In all other instances, applications for a Certificate must be submitted within the six months' period immediately following the termination of the unlimited national emergency.

The passage of Public Law 87 and the issuance of administrative regulations related thereto represent a form of national recognition of the important service rendered the nation by wartime merchant seamen.

If a Psychological Testing Program Is to Be of Practical Value Then Just as with Good Equipment in a Plant It Must Be Suitably Designed and Properly Installed and Maintained. It Must Be Checked Regularly and Constantly Improved.

How *to* Use Personnel Tests

By Richard S. Schultz

Industrial Relations Methods, Inc., New York 17, N. Y.

Personnel testing in industry needs some plain talk. Not the kind of talk that will tell what is wrong, nor the kind of talk that will exaggerate what is good. But a sort of middle road to establish what can be used today to further sound human relations and industrial efficiency.

There is no scientific procedure that is 100 per cent right and perfect, so let's not expect perfection in personnel test methods.

Testing Is One Definite Tool of Human Relations

A review of the practical development of personnel tests over many years, will help to focus attention on what procedures each organization can use now with dependable results.

Testing has a history of about *seventy years of intensive and meticulous research in the laboratories in the measurement of human behavior and individual differences.* Some day we hope this research will be as productive as in the physical sciences. The experts are now gathering data and trying to translate it meaningfully for use in business and industry. Out of the seventy years of experimental laboratory research have come hundreds of specific devices and tests which technicians in the field can readily find described in the library.

During *World War I* there was tremendous progress made by using this available laboratory research. World War I was really the birth of personnel testing in the truest sense outside school testing. It is from this period that greatest progress was made. It was during this period that the well-known group intelligence test was first used on a wide scale.

In the following years, not much progress was made. Testing fell into disrepute for reasons that might affect it right now and in the next few years: *over-optimism; unsound use;* and the *popularity of quick systems*—gold bricks—industrialists often being fascinated by procedures that were not dependable and reliable.

Interestingly enough, in the nineteen thirties, the *depression* came along and personnel testing activities boomed. Wider application was made of tests. There was an attempt to analyze characteristics of unemployed people. Institutes were set up for studying adults and their characteristics for work, training and retraining. The WPA, NYA and other welfare agencies undertook testing programs.

About 1934 the U. S. Government began to support an occupational research program. This was a dramatic step forward. It helped stimulate sounder use of personnel testing. Under the auspices of various Federal Government agencies, such as the Social Security Board, United States Employment Service, Department cf Labor and War Manpower Commission, an intensive analysis began of jobs and men.

Along came *World War II*, and approximately fifteen million men and women were tested in the armed services. All testing techniques were widely applied. Millions of men and women were also tested in business and industry.

Cautious Approach to Use

Obviously, from the preceding review one conclusion is apparent. *The scientific foundation of personnel testing has been cautiously and meticulously established.* There is no doubt but that many further improvements are necessary. The *personnel testing technique is the one*, some are inclined to say, *the only one scientific tool of human ralations.* There is not much that is definite in techniques for human relations. Testing is a tool that has definiteness about it—measurable facts for sound human relations.

The personnel test technique is the one scientific measure of human relations, whose contributions to promoting sound labor relations, employee morale, production efficiency, employee welfare, job security, cost control, and employee development have only scarcely been tapped. In other words, the varied possibilities of tests have been only meagerly explored and applied.

How is it possible to intelligently *select* a person for a specific job if only negligible facts are known about his abilities, interests and personal qualifications? How is it possible to *train* or develop an employee if definite facts are not established about his abilities that will assure reasonable success in training?

Tests Available for Proper Use

What *test methods can be used today in business and industry?*

First, there is the *general intelligence test.* It is a simple device widely used in classification of employees for selection and training. If wisely applied it can be a very practical tool and a most valuable one in selection, training, reassignment and development of employees.

Second, there has been advancement in what is called the *broad aptitude tests*, such as: mechanical aptitude and clerical aptitude.

Third, there has been considerable haphazard experimentation with tests for *interests and personality*. Unfortunately, much research and refinement needs to be undertaken before tests in this area can be regarded as dependable ability tests.

Fourth, some ingenuity has been devoted to design of tests in such a form and procedure that it will not antagonize the industrial employee and make him feel that he is being given school tests with silly questions.

Fifth, there has been a *simplification of testing procedure*. It is now possible to test in job family groups. The same tests are used for a number of jobs. It is not necessary to use many tests in order to cover all jobs in an organization. A shorter time is required for each test.

Sixth, there have been efforts made to find the ***primary or the fundamental traits*** of mental ability and human aptitudes. For example, six primary mental abilities have been established and can be related to necessary job qualifications, namely; number facility, word meaning, space perception, word fluency, reasoning and memory.

In addition to these primary abilities, the occupational research program previously referred to has also revealed certain fundamental aptitudes or ability factors such as: number, perceptual, spatial, finger dexterity, manual dexterity, verbal, reasoning, and motor speed.

Seventh, there has been much activity during the last few years in development of ***tests to measure sensory efficiency*** for seeing and hearing .

Recently a testing program was outlined for a textile mill. After writing a full report, the following closing statement was made: "Consider testing for visual efficiency as a possible first step." This company found as a result of vision tests that 38 per cent of their employees needed glasses or had eye defects. For certain jobs sensory efficiency is more important than other aptitudes.

Eighth, there have been efforts made to improve *techniques of individual counseling with tests*, in other words, how to advise people to make satisfactory job adjustment in industry.

The right step is taken in sound human relations when workers and jobs are matched more carefully because jobs change, employees change, and then there is the very important factor of providing for job security.

A Practical Test Program for Every Company

In view of the test methods available, how can a program for a small, average or large organization be set up?

Point 1 — *A minimum program* for an organization should consist of a simple practical grouping of jobs, such as: *machine* jobs, *strength* jobs and *dexterity* jobs. For these jobs, tests of finger and manual dexterity and mechanical aptitude may be used.

Clerical jobs and *mental* ability jobs cover two additional groups. A clerical aptitude and a general intelligence test would be helpful for these jobs. There are

Testing Aptitudes for Use by Employees—Management—Supervisors

FACTS		METHODS	RESULTS
Jobs	Men		
Review of available information on all jobs. Job Analysis Job Specification Classification of Jobs Organization Chart	Analyze information on jobs to classify *Abilities*, *Interests* and *Special Aptitudes*. Give tests for *Abilities* and *Special Aptitudes* to all employees. Review Personnel Records covering *Experience*, *Education*, *Special Training* and other Qualifications that will help in making best use of *Abilities*, *Interests* and *Special Aptitudes*.	*Tests:* Practical Intelligence Aptitude for Special Machine Work Aptitude for Assembly Work Mechanical Ability Dexterity in Work with Tools Inspection Ability Aptitude for Drafting Clerical Ability Technical Ability Engineering Aptitude Interests in Work with Things, People, Ideas or Technical Problems Ability for Supervisory Work (Personality, Interests and Attitudes) *Individual Reports on Tests* *Interview:* Review results with Employees *Conferences:* Meetings with Supervisors *Reports:* Organization Summary *Training:* Person(s) in Company to give and interpret test results *Time:* 15 minutes to three hours	*Individual Employee* Reports and Ratings Outstanding Abilities Needs for Training Possibilities for Development Suggestions for Assignment and Training *Report* for entire organization *Report* by departments *Man Specifications* based on standards of Measured Abilities and Qualifications *Information* prepared for use in conferences with Supervisors *Employee Performance* compared with test ratings

also *people* jobs, or work requiring varied contacts with others. Interest and personality tests properly interpreted would be useful for these jobs.

Thus, a modest testing program for any organization, irrespective of size, if undertaken soundly, would consist of six tests: *finger and manual dexterity*, *mechanical aptitude*, *clerical aptitude*, *general intelligence*, *interests* and *personality*.

Point 2. Special *standards* for rating tests (High, Good, Average, Below Average, Poor) should be prepared in accordance with each company's requirements.

Point 3. In many organizations, it may be advisable to first build proper *job specifications* that show what is required for doing the work and the kind of persons most likely to succeed. It may also be preferable to *improve the interviewing procedure;* and to have a *diagnostic* application form rather than to use tests. This is particularly important in developing a selection procedure for small companies.

Point 4. There should be in the minimum test program, a *job performance rating* or an employee merit rating. Tests should be checked against individual success on the job to determine if they are helpful in classification and selection of employees who meet Company production requirements.

Point 5. The program should begin *modestly with a limited, well-defined objective.* Tests should not be used simply because someone says tests are good. Tests should not be used because the company down the road is using them. Tests should not be used because it is the fashion. However, tests should be used when there is a definite and substantial reason for testing. Tests should be used for the same reason that a new piece of equipment is installed, because it would be of economic value and desirable for the company. Tests should be used when there is a very specific objective. Tests should not be started with a bang in order to get the whole job done at once.

Point 6. If testing is installed, a plan is necessary to keep on *improving it with experience* in a practical way and to maintain the program satisfactorily; just about the way that one would proceed in improving and maintaining a piece of equipment or machinery.

The illustrative chart in this article outlines a method of setting up a testing program according to the soundest principles for obtaining practical results.

A Sound Procedure for Starting a Test Program

The practical *minimum testing program* outlined above is likely to be most successful and of immediate value in daily personnel relations if it is based upon a sound scientific procedure. This includes the following eight steps:

Step 1: The *objective* must be defined. Why are tests desired? Is there a need for testing? These reasons must be clear and satisfactory to management.

Step 2: A job analysis must be made. It should include the two latest techniques: the *physical demands* chart and the *worker characteristics* chart developed by the War Manpower Commission.

Step 3: Before beginning to use any tests, *sound measures of relative success or job performance must be established*, such as: merit rating, quantity of production, quality of production, the amount of waste, the number of pieces that do not pass inspection.

Step 4: At this point it is appropriate to begin thinking about tests. The problem has been carefully analyzed. This will avoid much waste of time, effort and money. It is necessary to *adapt, construct or use tests suited to the specific job requirements of the company.* The possibilities of the *application form* and the *interview* should not be overlooked. These two procedures may be regarded as good as tests for certain jobs.

Step 5: After it has been decided that tests are to be used, the mistake should not be made to test every one immediately, and then validate them later. A special group of employees or preferably a sample of applicants should be tested first. *Then the results should be studied.* Results should be compared with job performance. Comparisons should be made on whether employees stay on the job or leave the job, whether they succeed in training or fail in training, whether they get along on the job or have difficulty getting along on the job, whether the foreman likes them or doesn't like them. Test results should also be compared with performance or merit ratings.

This may all sound like making a mountain out of a mole hill. It is nothing more than orderly procedure. It is an accounting method, an orderly checking method. If these steps are followed, much time and money are saved. Often the time lost is more costly than the actual money invested in the tests. A discerning executive will soon find out whether a lot of time is being wasted because of an unsound procedure in setting up the testing program. The programs that continue successfully for five, ten or more years are those established on a sound practical foundation.

Step 6: It is necessary to *determine which tests are most suitable.* Test ratings must be compared with job performance. This effort will help to streamline the testing program. This effort will help to streamline the testing program, reduce the number of tests for a specific job and shorten the time for testing an individual.

For example, a minute and a half simple manual dexterity test is valuable in one Company for selecting about 20% of its employees.

Step 7: The *test results should be checked on other groups of applicants or employees* other than those used originally in determining the value of the tests. The results should be rechecked six months or a year later. If this procedure is followed management can say confidently, "We have the right tests, they are helping us."

Step 8: As mentioned before, if a testing program is to be of practical value, then just as with good equipment in the plant, it must be *maintained properly.* It must be checked regularly and improved.

This Is Another Advocacy of the Use Undisputed Facts Wherever Possible as Bases for Negotiation. Often Facts Are Used Merely as Additional Bases for Argument.

Objective Attitudes *in* Collective Bargaining

By W. V. Owen

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There is a tendency to label practitioners in the field of labor Relations as being pro-labor or pro-management. Tri-partite bodies representing labor, management, and the public are created on the assumption that the representatives of labor are pro-labor, that the representatives of management are pro-management, and that the public representatives are neutrals who represent the interests of the public. The thinking which supports the tri-partite approach recognizes the bias of labor and management respectively, but at the same time presupposes that there are neutral persons to serve as public representatives.

Is Neutral Thinking a Myth?

There is some opinion, however, that neutral thinking is a myth, that there are no shades in labor relations attitudes but only black and white. An extreme adversary point of view is unfortunate and when carried into collective bargaining and other phases of industrial relations is an almost inevitable cause of friction reflecting in inefficiency of both management and labor.

This paper is directed to labor relations managers in particular, and to labor and management in general and argues the desirability, if not the necessity, of an objective mutual benefit point of view for labor relations professionals.

Pro-labor and pro-management attitudes are real and probably have some value. A moderate "pro" attitude has the value of sparking activity and developing aggressiveness. The problem is to keep the spark under control in order to avoid a social and economic conflagration. Management representatives are employed by management to protect the interests of management in bargaining, as are labor representatives employed to represent the interests of labor. Insofar as the interests of labor

and management are identical interests the only legitimate function to be performed by the representatives of management and labor is to discover the common interests. The amount of employment for labor representatives and for management representatives tends to vary directly with friction over conflicting interests.

The Parties

THERE are many interested parties involved in negotiating a collective bargaining contract. The first line negotiators are made up of union and management hired men. Lawyers, corporations, officials, engineers, and industrial relations managers represent management on one side of the table, facing union representatives who may also include lawyers and engineers, but no labor relations experts. The second line of interested parties is made up of corporation stockholders and creditors on the side of capital, and employees on the labor side. Sitting in the audience, as it were, is the public. The public, after all, pays the costs of industrial relations conflicts or enjoys the economic fruits of industrial peace.

In a way, each competing firm is an interested party in all the contracts of his competitors because each contract is governed to some extent by all the other contracts within an industry. Each firm's contract within an industry is an exhibit which takes its place with other firm contracts. If one contract contains clauses not found in other contracts a "precedent" may be set to be repeated in other contracts. The contracts line up in a "company front." Each organized firm within an industry is interested in the contracts of competitors as are the different unions within the industry.

Even a more complicated picture develops out of individual firm negotiations if more than one union is involved. Perhaps one bargaining union is organized along industrial lines, while another bargaining union is a craft union.

The Bargaining Process

THE bargaining process is a curious mixture of salesmanship, threats, persuasion, face saving, waiting, promotion and defense of philosophies for the purpose of working out some rules governing productive activity. If the rules governing every football game were arrived at by the competing coaches before each game there probably would be many postponed games. Football rules are worked out for the long run good of the game and not for the good of each competing team participating in each game.

Issues

COMPLICATED wage systems, hour schedules, the guaranteed annual wage, ability to pay, grievance procedure, seniority, the closed shop, maintenance of membership, and training programs are some of the issues that plague negotiators. Some issues are new, some are old, all have merits and demerits. Morals, politics, costs, economic theory, economic facts, and economic systems are involved.

For example, the principle of seniority is based on the moral concept of loyalty and respect for age in opposition to the economic principle of efficiency. There doesn't seem to be any one answer to the question of the conflict between the young and the old. An older person with seniority may be replaced by a younger, more productive person with less seniority in the absence or seniority rules. Objective thinking is necessary to work out a socially desirable seniority policy.

Also the problem of setting up schedules of hours for the day, or longer periods can best be approached by an unbiased study in order to determine optimum work schedules. Hour schedules that cause cumulative fatigue work hardships on all the interested parties.

Conflicting Violent Prejudices

To have the many complicated contractual issues attacked by conflicting violent prejudices is not conducive to solution. However, one must expect management representatives to resist demands for higher wages, and for labor representatives to argue for higher wages just as vendees in any market bargain for price reductions and vendors bargain for price increases without a protagonist attitude.

Taking another example, the desirability of a guaranteed annual wage clause in any contract requires the most careful objective study by the best talent available among all the interested parties. Likewise the problem of union security has never been settled for labor and management as a whole. The rights of a non-union man working in an organized shop are not disposed of by saying that the non-union man has no rights. The non-union man question is a challenge to the best minds in and out of industry, and cannot be solved by "pro" attitudes. The answer to the rights of the non-union man involves the broad philosophical question of individual rights as opposed to group inserests. Is it possible to set up rules that wlll protect the individual and at the same time enjoy the values that come from organized activity?

Mutual Objective Attitude

The adversary attitude as contrasted with a mutual objective attitude is sheer nonsense when applied to the problems of accident rates, labor turnover rates, and absenteeism. Accident rates, labor turnover rates, and absenteeism rates cannot be pro-labor or pro-management. These rates are arithmetical calculations, changed not at all by emotional biases. That accident rates, labor turnover rates, and absenseeism rates should be reduced cannot very well be questioned. It also seems clear that the responsibility for reducing accident rates, labor-turnover rates, and absenteeism rates lies with both labor and management.

The mutual benefit attitude corresponds better with the industrial scene than does the adversary point of view. The fact is that labor and management eat from the same feed bag and both are obviously interested in a full feed bag, and not quite so obviously each is interested in a wise distribution of the feed. A wise distribution

of the feed will maximize the long-run benefits going to both management and to labor.

Two Cases

Suppose that labor takes advantage of its bargaining position and forces wages of an individual competitive firm above this optimum point of maximizing long-run benefits; what follows? Four possible consequences are:

(1) The firm may pay less profits relative to other competitive firms limiting the firm in attracting investment for expansion and thus limiting employment opportunities.
(2) The substitution of machinery for labor thus causing short-run unemployment.
(3) Greater managerial efficiency.
(4) An increase in man-hour productivity.

If wages above the short-run optimum point result in greater managerial efficiency, in an increase in man-hour productivity or both, the optimum wage point would rise. However, the probability of a wage increase resulting in greater-efficiency of management and/or labor under a protagonist atmosphere is only a remote possibility, the possibility varying directly with the prevalence of labor-management harmony.

Or, suppose that management of a single firm in a competitive industry takes advantage of a strong bargaining position and forces wages below the optimum rate. Three possible consequences are:

(1) A decrease in man-hour productivity.
(2) An increase in labor turnover rates.
(3) A lowering of costs thus placing the firm in a favorable competitive position both as to markets and as to inviting capital investment. This result might come about under conditions of the very best labor-management relations, completely free from combatant attitudes.

The Objective

The several interests represented in collective bargaining, the complicated issues and the many and sometimes conflicting philosophies involved in labor relations point toward the desirability of an objective point of view in labor relations. The objective is to solve issues in terms of the long-run public good and not to promote the political interests of one of the parties or to gain a victory for an idea as such. The end product desired is an ever increasing real national income.

Costs

Emotionalism has no place in labor relations. Society pays the costs of maintaining this "Reno" of labor relations in order to provide the facilities for the

combatants to carry on industrial warfare. Lawyers, advisers, government agencies drink from the cistern of emotional bias. The direct costs of man-hours spent in waging industrial warfare are quite apparent. The indirect costs of "bad feeling" are not always apparent, but are nevertheless real in terms of inefficiency.

Measurement Techniques

The adversary attitude becomes even more regrettable when one considers the availability of objective measurements. Labor standards of work, wage price relationships, standard hiring procedures and other industrial techniques provide the tools for dealing with labor relations. To use the techniques of the chase which must always be biased (the welfare of the fox is his alone) when semi-scientific equipment is available is a sad picture.

The National Economy

The approach to collective bargaining advanced here is based on the assumptions that labor and management of a particular firm have common economic interests in the long run, and that joint unbiased studies can discover the terms of a contract that most nearly promote those common interests.

It seems reasonable to contend that the mutual benefit anasysis can be applied to labor and management of a national economy as well as to management and labor of an individual competitive firm. If both labor and management will prosper under a condition of full employment, which seems probable, then it follows that both labor and management are mutually interested in creating the economic conditions consonant with full employment. Since full employment is brought about by the proper balance between consumption, investment and saving, management must be interested in consumption as well as in investment and labor must be interested in investment as well as in consumption.

The Public Interest

Industrial peace is particularly significant to management and labor in industries especially endowed with public interest, the coal, transportation and food industries for example. The legal and social boundaries of "private" industrial strife will be established. Just where the state will draw those boundaries is not clear. Theoretically the line of demarcation beyond which industrial strife cannot long encroach is the point where public interest is jeopardized.

If capital and labor are to retain freedom of action in bargaining, both capital and labor must so control their activities within the framework of public welfare so that the public economic loss is less than the values arising out of free individual and group action.

A Basic Tool

The contract is a basic tool for implementing economic relationships between parties. A contract to work, to sell, to buy, to lease, to lend, or to borrow repre-

sents the law's contribution to order. Although the parties to contracts deal at arm's length, some contracts in which one party presses his advantageous position beyond the public interest are contrary to law, for example usury contracts. Or, when one contracting party imposes terms quite legally on the other party beyond the power of the other party to carry out; the real purposes of the contract are prostituted. An over-sold customer will not only suffer losses but will refuse, if possible, to renew the old contract. Mutual benefit of parties provides the philosophical framework most friendly to contractual relationships. If collective bargaining contracts are to play the same useful part between industrial groups as they have played between individuals, fair competitive attitudes of party representatives are necessary. Otherwise a collective bargaining contract becomes not a contract but a kind of truce between periods of conflict. If a strike of three months is necessary for negotiating a twelve month's contract one-fourth of the time is spent in battle and three-fourths in peace, which is too much war and not enough peace.

The Future

The future of collective bargaining may very well rest on the outcome of the conflict between the mutual benefit attitude and the combatant attitude. Should the combatant attitude eclipse the mutual benefit attitude, collective bargaining will crack up on the rocks of friction. Personalities rather than sound economic principles will rise only to fall. Management and labor personalities are only as secure as are the economic principles supporting those personalities.

If the negotiating process is carried on along the subterranean level of mutual deceit the real facts out of which good contracts are fabricated remain undiscovered or, if the process of collective bargaining generates personal enmities and mutual suspicion, where friendship and respect had previously prevailed the net output of collective bargaining is negative.

Status of Counselor

By SUDIE H. KOVACH
New York University, N. Y.

(1) Counseling pre-supposes a desire to help the individual handle his problems in a-manner more-satisfactory to him.

(2) The function of counseling is to investigate human problems which the individual is able to do something about, in order that he may be conscious of the factors which indicate possible causes for his trouble.

(3) The counselor should, at all times, retain a clinical, investigatory attitude toward his work in order to minimize biased judgments.

(4) The counselor should present summarized results of investigations, indicating possible causes, but should leave decisions for preventive or remedial measures to the counselee or the authority for whom the counselor is investigating.

(5) The counselor should be recognized as a technically trained specialist who is consulted by those in positions of authority, or subordinate to authority, at the volition of either.

(6) Neither the counselor nor those in authority should force upon the counselee any seemingly advisable action. Such pressure does damage by retarding the day when the counselee will have to make his own decisions, at whatever age level. In the case of a child who is incapable of grasping implications about his problems, adequate outlet for expression of likes and dislikes should be provided along with other methods of investigation, and the implications given to those responsible for the child.

(7) The counselor, at no time, should reveal confidential information without the consent of the counselee. If it should be necessary to impart information the counselee should be advised of this before the first interview is commenced. If later developments indicate that information should be communicated to others, the counselee should be informed of this and his decision, as to whether it shall or shall not be imparted, abided by. If the counselee comes to a negative decision and it means the counselor's inability to act further, the counselor should drop the case, for it is the only means by which the integrity of the service can be maintained.

This loyalty to the co-operativeness of the individual and recognition of his right to determine his own course, should be the cardinal basis of counseling, and should be respected by all who contact the service.

Personnel Organization

(Criticisms of Mr. C. C. Fracker)

I. RELATIONS BY PROXY

By R. R. Hopkins, Vauxhall Motors, England

In his article "90 Years of Personnel Experience" in your April issue, C. C. Fracker suggested that three years of personnel dealings in a business of 30,000 employees might be considered equivalent in experience to thirty years in the average run of businesses which contain less than 1,000 employees. He admitted that this "statistical gymnastics" might not be acceptable to all and proceeded to enumerate six fundamentals in personnel administration based on the "30 years' experience."

If this basic assumption were only a matter of "statistical" or journalistic convenience, few would quarrel with it. But it is the purpose of this article to suggest that such a premise constitutes a fundamental misconception in industrial relations and also in personnel administration. For, while C. C. Fracker claims that there should be no "connection" between-labor relations and personnel practices, he concedes that they must be "co-ordinated", and it is surely incontestible that the one bears on the other.

Here is the fundamental truth at the base of this argument: *neither labor relations nor personnel administration in a business with less than 1,000 employees are the same thing as labor relations and personnel management in a concern such as Vauxhall Motors, which has 10,000.* In an average-size business of, say, 800, the boss pretty well knows everyone; he may not remember all the names, nor put the right names to the right faces, but at any rate he knows something about each man—he is conscious of a human personality and not just a "fitter" or a "cost clerk" or whatever it may be. This is admitted experience—in English industry anyway—and it is endorsed by high-ranking officers who agree that, in the Armed Forces, it is possible to "know" up to about 800 men reasonably well, but, after that, the scheme breaks down.

New Methods Needed

What does this mean? It means that a new technique of labor relations and personnel administration is needed for the business with more than 800 to 1,000 employees. Three of the points made by C. C. Fracker in his review of personnel fundamentals concerned group dealing, wage relationships, and democracy in employee services. None of these requirements can be tackled successfully in large enterprises unless the need for this new technique in labor relationships is recognized and acted upon.

How is this need to be met? The short answer is—committees. It sounds simple; to some it may sound all too familiar. When the writer of this article broadcast

from the B.B.C., London, on one occasion, in a programme dealing with industrial incentives, he remarked that in his working community of 10,000, there were at least 75 employee-committees. This was greeted with a laugh. Maybe that's average reaction—amusement, cynicism, or both! But it's short-sighted—labor relationships in the 10,000 arena can only be handled by an indirect technique and the committee system is the essence of that technique.

Committees with Nothing Barred

LET's have a look at these Vauxhall committees. There's the factory-wide Works Council (or Management Advisory Committee, as it's called) which is the parliament or house of representatives. The M.A.C. isn't just a group to pep production, ventilate grievances, or discuss employee services of a type which don't impinge on management. It's a freely-elected body of 21 employees (joined in committee by 5 management representatives) which has the right to explore, examine, and discuss *everything*—wage rates, holidays, employment conditions, security measures, production, forward planning—*nothing barred.*

Out of this "parliament" springs naturally a range of special sub-committees which handle personnel problems, employee suggestions, transport, factory rules, and various "ad hoc" affairs, with a large measure of executive authority and certainly with strong weight of effective recommendation to the full committee and thus to the management.

Hourly-paid Wage Committees

WAGE rates are a subject in themselves. Suffice to say that throughout the factory there is a series of over 50 "Grading Appeals Committees" comprised of hourly-paid operatives to whom is entrusted the responsibility of arbitrating on wage increases in relation to classification of skill.

There are 18 committees specialising in safety and accident prevention—making recommendations, examining trends and statistics, comparing records in various departments of the plant, stimulating supervision and educating operatives to a high level of alertness and understanding in industrial safety.

A plant-wide council deals with hospital contributory schemes and social security in relation to health. It is a powerful body and by virtue of the number of contributors it represents, has seats on the national executive panels of the schemes concerned, where they are not of purely domestic origin.

The whole of the social, sporting, and recreation side is governed by a General Council of elected members. The Canteen is part of this assignment. Some 30 committees attend to the day-to-day running of each social or recreational activity. A Benevolent Fund for the sick and, during the war, a Services Fund for those in the Armed Forces, were responsibilities, not of the management, nor personnel administration, but of democratic employee-committees.

Committees Have Executive Responsibility

These committees have all been given due measure of executive responsibility; their accepted recommendations must be acted upon without demur or delay. Without these essentials, the committee system will be an encumbrance, not a help—it will not develop, it will fall into disuse and discredit.

But, with recognition and support, the committee system is the key to industrial democracy and hence the key to labor relations in a large community. Let us admit freely that the technique is indirect; it is relationship by proxy. But it is an ordered and balanced technique which can succeed. The alternative is to assume or pretend that a large community is much the same as a small one from the personnel angle, except that more foremen and personnel officers will be required. And that is an unsound and entirely fallacious assumption.

II. MISLEADING EXPERIENCE

By J. S. McMahon, Globe-Wernicke Co., Cincinnati, O.

We are particularly interested in reading "90 Years Personnel Experience" reprinted from your April, 1946 issue of the Personnel Journal, primarily because the author in addition to giving the usual treatment to the matter of personnel administration, suggests a principle which is unusual. That of divorcing the functions of personnel administration and labor relations.

The author draws a somewhat hazy line of demarkation between the two functions which he himself outlines, then proceeds to arrange the detail of the respective functions each on its own side of the line by generalizing thus, "Labor relations and personnel relations are not the same." This is followed by explanation of the necessarily different thinking of the administrators of each of the two functions.

The philosophy and reasoning of the author with respect to the administration of the two functions of the Department of Industrial Relations appear not only to be impractical but also most unsound and is not in keeping with the teachings of experience gained in industry in general. We should exercise the greatest care as we proceed along the road to better human relations that we do not indulge in "Losing battles while gathering straws."

Experience gathered exclusively in war plants that were operated on a non-competitive basis may prove inadequate as a basis for future policy for peace time industry. Many of the techniques, practices, and customs established in war plants were undoubtedly necessary steps to the end, that we had to have production, irrespective of cost. Now that we hope to convert to a post war competitive basis, the personnel administrator along with all others had better keep his eye on the cost sheet, if he is to continue to function either under the direction of an Industrial Relations Manager or in his own little domain where he may indulge in his own philosophy.

Split Functions Increase Vulnerability

Industry is suffering today mostly from the practice of splitting up its functions and keeping them in the state of isolation that makes for a more vulnerable target for the sniping of Unions who *do not believe in this practice.* It matters not whether you are manufacturing aircraft or mining coal. There are only two real segments in industry. Human beings and machines, material is there whether or not we apply manufacture or mining. This job of keeping these two segments together in effective operation is called management and further division of the responsibilities of good management does not necessarily enhance its effectiveness.

It must also be borne in mind that the title or term personnel administrator is the classification of a large number of different functions and were we to accept the idea of splitting up the functions of organization into as many separate controls, we would undoubtedly find ourselves with a multitude of little men, each applying his pet theory of, how to do it, instead of a well organized unit properly managed.

Furthermore, let the personnel administrator never forget that his one day dealing with employees on an individual basis may (and too often does) mean many days of headache for his boss, the Industrial Relations Manager, who has to deal with this employee on a collective basis ever after. Consequently, we should incline, not to further subdivision, but rather to consolidation in the field of human engineering.

Book Reviews

Book Review Editor, Mr. Everett Van Every

California Personnel Management Association, San Francisco 2, Cal.

THE PHYSICALLY HANDICAPPED WORKER IN INDUSTRY

By Gilbert Brighouse. Pasadena, Cal. California Institute of Technology. 1946. 54 pp. Price $2.00

This is an excellent study of the experience of the Lockheed Aircraft Corporation. during the last year of the war, with employing physically handicapped people.

It tells what they were like as to age, marital status, educational achievement, in character, etc. Also the varieties of work performed, levels of responsibility, rate of promotion, frequency of job change, absences, accidents, effect on group insurance policy, grievances, morale, etc. The summary states, in part:

When Lockheed hired these physically handicapped people, the Corporation lost a little in flexibility of employees, apparently had to spend a little more time placing them correctly and, according to the ratings of supervisors, tended to get work which was slightly inferior to that of normal employees in quality and quantity of output. Further, the insurance companies which carried the accident compensation and voluntary group plan had to pay out slightly more money per capita for the physically handicapped. For those with severe disabilities, such as total blindness and deafness or limb amputations, some additional time in job training and supervision was apparently necessary.

On the other hand, Lockheed gained through hire of a group which, during a period of generally high labor turnover, showed a greater stability on the job, less readiness to quit, less unexcused absenteeism, and a greater wlllingness to stay put on "dead end" jobs without possibilities of promotion to supervisory status. In addition the presence of employees with obvious physical handicaps tended to be an incentive to higher morale on the part of the physically normal.

This study has certain implications for industry, for the physically handicapped, and for society as a whole. Clearly the physically handicapped have a place in industry, but their effective use requires an intelligent personnel policy with regard to their selection and placement, and particularly with respect to their supervision. By no means is every foreman equipped to supervise the work of the physically disabled. Foremanship courses stressing understanding of the physically handicapped and the personality needs of human beings are a prerequisite. The physically handicapped themselves need to learn how to view their disabilities with greater realism and with more positive work attitudes, to accept their limitations and to compensate for them by the development of whatever skills they may have. Finally, society in

general can assist the physically handicapped in achieving healthy attitudes by behaving toward them with objective sympathy and understanding. As these attitudes grow, it will be seen that with proper placement, training, and supervision a physical disability no longer need be a physical handicap.

This study is highly recommended. Considering that there are estimated to be nearly 3,000,000 physically handicapped of employable age in the country, and another 800,000 become permanently disabled every year, (this is apart from disabled veterans) it is hard to see how companies in future can avoid employing them. The Lockheed experience shows that they need have no fears in doing so. Again quoting the report:

Reluctance to hire those who are physically disabled has been a source of frustration to the handicapped and of expense to society. If certain people cannot produce, others must produce for them; if the physically handicapped cannot earn a living, they must usually be dependent upon some form of charity, a method of support which is not only degrading to the recipient but also economically unsound.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

(Formerly by Personnel Research Foundation)

Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 25 *Number 4*

Contents for October 1946

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J. SLOCOMBE, *Circulation Manager*

According to Professor Bakke of Yale, Tensions and Anxieties or Hopes Produced by a Condition of Unstable Equilibrium (in the Lives of Workers) Are the Stimuli to Adaptive Behavior. In Other Words Workers Start to Do Something About It.

Labor's Dilemma

By Lewis K. Johnson,
Washington and Lee University,
Lexington, Va.

During times of universal conflict between employers and labor it is not uncommon for certain individuals and groups to manifest an intense emotional reaction against unions and their leaders; especially when strikes are called in such basic industries as coal, steel, transportation, electric power, shipping and other industries which so directly affect the public interest. This is not an unusual reaction in times of peace and even less so following a great war when there is such an urgent desire to return to the normalcy of pre-war days. Nevertheless, emotional outbursts generated by the present labor crisis should not obscure certain fundamental psychological considerations which underly the relationships between workers and management.

Demands of Labor Cannot Be Met

The idea prevails among some groups that expressions of conflict between management and labor are results of certain inborn, native traits possessed by workers and, as a consequence, industrial strife is an inevitable concomitant of the psychological make-up of members of the working class. Those who hold this belief are convinced that there is truth in the cliché, "You can't change human nature." Since they believe in an inherited desire for conflict it follows logically that they see little chance for ever satisfying the demands of labor.

It is obvious, of course, that employers, because of the privileges which accompany their authority, have little reason to initiate conflict; consequently, they usually do not consider the psychological reactions of employers. It should not be overlooked, however, that while there appears to be some truth in the point of view

that the demands of labor are incapable of satisfaction, the disciplines imposed upon workers by the industrial system also make very exacting demands upon workers. But whatever the point of view, believers in this philosophy are skeptical of ever resolving the differences between management and labor without the imposition of more effective legislative and legal restraints upon labor.

Desire for Conflict Not Inborn

WHILE it can hardly be denied that individuals are born with emotional proclivities to express anger, hatred, disagreement and conflict it is quite a different matter to contend that they possess inborn, native desires for conflict. To admit the former does not necessarily compel acceptance of the latter. As John Dewey has so well stated, "Native human nature supplies the raw materials, but custom supplies the machinery and designs." In other words he simply means that because individuals are born with propensities to conflict it need not be implied that such propensities must express themselves that way and, if conflict develops it is the result of effort on the part of workers to adapt themselves to the social, economic and institutional customs and arrangements in which they are forced to earn a living.

Anthropologists appear to have provided sufficient evidence from studies of primitive cultures to establish the fact that no uniform traits can be set down as fixed in any society. From their research it seems evident that social behavior is not an expression of a native, fixed mechanism that predetermines conduct, but rather an expression of a set of socially established habits which are stimulated to react in various ways depending upon the specific problems and institutional arrangements which confront individuals.

Overthrow of Existing Institutions Will Not Resolve Conflict

BE THAT as it may, there is a group of radical reformers who reject the psychological philosophy that the desire for conflict is an inherited trait which cannot be changed. It is their belief that expressions of conflict, the desire for a larger share in the earnings of industry and demands by labor for a greater participation in the management of business are results of a social conditioning process inherent in social and economic institutions. They are of the opinion that by an easy and rapid change in social and economic institutions conflict can be quickly resolved.

While it has been demonstrated rather conclusively that conduct, for the most part, is predominantly a matter of expressing socially determined habits the problem of changing social behavior is neither an easy nor rapid process. On the contrary, radical changes in existing institutions in all probability would be followed by conflict and disorder because of a "carry-over" of pre-established habits of thought and behavior.

In any event, old and established attitudes and emotions are not likely to be

changed quickly by changes in institutional arrangements and the development of new attitudes and habits among oncoming generations is an evolutionary process requiring years to consummate. It is evident then that to assume conflict to be a fixed and inevitable trait is an ultra-conservative philosophy which obviously leads to fatalism, while belief in an easy and rapid solution to the problem by an immediate overthrow of existing institutions may lead to even greater chaos.

If it is agreed that modes of conduct are expressions of socially determined habits then it is logical to conclude that expressions of conflict, self-assertiveness, the desire for power, the desire for a greater share in the earnings of industry and the demand for greater participation in the management of industry are nothing more nor less than specific socially conditioned modes of employee conduct. If this is true, then it is important to examine the psychological bases of employee behavior for the purpose of finding means of resolving the present conflict.

Workers Will Not Remain Docile

It is submitted that the folkways, customs, mores and patterns of thought existent in the institutional environment in which workers are born and live provide, in part, the psychological bases for the industrial strife presently occurring between management and labor.

It is obvious that the constantly expanding variety of goods and services offered in the markets and appropriated for personal use creates not only an expanding range of desires, but at the same time stimulates intense social emulation and imitation. As a result, there is an almost insatiable demand for homes, radios, education, electric washers, refrigerators, automobiles, entertainment, services, and a multitude of things which social custom and behavior have practically decreed are virtually necessities of life. While it is true that certain groups of working men and women have been able to increase their range of satisfactions, the fact remains that a large percentage have yet to attain a posistion of comfort and security.

Labors' Desires Increased

In the same way, the operation of democratic institutions tends to indoctrinate workers with the desire for greater individual freedom and participation in determining the conditions under which they work and live. It is only logical, therefore, to expect them to insist upon satisfaction of the same democratic desires in industry as they enjoy politically and socially. In any event, it is hardly to be expected that working men and women who live in a democratic society will continue to remain docile.

Many institutions operate to habituate workers to seek an ever widening range of goods, services, a larger share in the earnings of industry and greater participation in the management of business. A great deal of educational work is carried on through advertising, magazines, newspapers, motion pictures and the labor press.

Churches, public schools, colleges, labor unions, governmental agencies, homes and similar institutions provide more formal media through which the process is furthered.

Probably an even greater influence is the natural process of observing other people's enjoyment of a better way of life. Furthermore, the very experience of life itself in a democratic society provides constant habituation to modes of living which stimulate desires for an ever widening range of goods and services, and for greater freedom and participation in social and economic institutions.

Labors' Desires Blocked

It seems rather ironical that a society which has perfected so many institutions to encourage and stimulate desires for goods, services and individual freedom has at the same time developed institutional arrangements which tend to restrict adequate satisfaction of these desired values. While it cannot be denied that great progress has been made in sharing a larger proportion of the earnings and administration of industry with the wage earning group too often these gains have resulted, not from the normal functioning of social and economic institutions but from pressure exerted by governmental and labor organizations.

It is indeed unfortunate that the same skill and ingenuousness which have been applied to developing institutions to further desires for greater enjoyment of goods, services and a more democratic way of life have not been applied to shaping institutions so that such desires might be more adequately fulfilled. It is also regrettable that the progress thus far achieved in this connection has not been accomplished by a more natural functioning of existing institutions and less by conflict and governmental intervention.

Labors' Dilemma

As indicated above, while economic and social institutions tend to habituate individuals to seek more goods, a larger share of earnings and larger voice in the management of business they also tend to thwart or block adequate individual acquisition and satisfaction of these values. Consequently, a large percentage of the rank and file of productive workers find themselves in the psychological dilemma of an expanding range of desires, but compelled to seek a livelihood in an institutional arrangement which necessitates organized compulsion protected by government sanction to realize adequate satisfaction of even the essentials of a comfortable life. Suffice it to say, these rather obvious truths explain, in part, the psychological bases of conflict between management and labor.

Collective Bargaining Not the Answer

So much has been said and written about collective bargaining and the importance of perfecting its techniques that great danger exists in the belief that once such

techniques are perfected the answer to the problem of conflict will be found. While it is readily admitted that collective bargaining has aided in resolving many conflicts, as well as initiated some, and is a necessary process in building cooperative and harmonious relationships between management and labor, it can hardly be denied that it is not the answer to the search for means of satisfying the psychological desires of working men and women.

At its best collective bargaining, in many instances, merely effects compromises of conflicting interests and fails to integrate the basic demands of the rank and file with the natural functioning of economic and social institutions. Probably the greatest single contribution attributable to collective bargaining is not the temporary peace brought by compromises of immediate points of conflict, but rather the basic, fundamental changes which the process is slowly and subtly effecting in economic and governmental institutions.

Personnel Research a Necessity

Fortunately, the more enlightened executives understand fundamentals and are effecting changes in administrative policies and procedures to more adequately satisfy the psychological demands of their employees. It should be pointed out, however, that entirely too little imagination has been shown in this direction and there is a great need for ingenuity and experimentation in the development of plans, policies and methods which will assist employees in adjusting themselves to the environmental complexities in which they are forced to earn a livelihood.

There are many areas in which there is great need for additional research in personnel plans and policies. In the past management has devoted much attention to developing financial incentive plans which, it was hoped, would not only increase production but satisfy the demands of labor. It has been rather conclusively established, however, that while financial incentives are basic in furthering cooperative relationships no less important are non-financial incentives represented by such techniques as positive leadership, intelligent supervision, indoctrination in company philosophy, objectives and policy, planned induction and follow-up procedures, planned vacations, methods of commending work well done and many other personnel techniques which tend to assimilate workers and give them a sense of "belonging" to the organization.

This is not to say that industrial discipline must give way to every whim of irresponsible workers, since it is apparent that no business can be operated effectively without the maintenance of discipline. Already management finds the threat to discipline a grave danger to the efficient operation of many enterprises. However, there are examples on record where management has done very little to assist workers in adjusting themselves to the disciplines imposed by the industrial system. Some other companies consider it practical to make adjustment of company policies and

disciplines to certain very necessary demands made upon workers by their social and home environment.

Traditional Personnel Techniques Outmoded

It hardly needs to be suggested that many of the traditional methods of handling relationships between employers and employees are undergoing significant changes. One area in which this is evident is in methods used to distribute company earnings. Many types of incentive wage schemes; the Piece Rate System, the Bedaux plan, the Manit system, the Emerson Efficiency Wage and modifications of these, have been developed since the days of Frederick W. Taylor.

The incentive principle of all such plans is fundamentally sound, yet few incorporate principles to assure equitable relative distribution of company earnings between salaried executives, stockholders and the wage earning group. Furthermore, few provide necessary security by an arrangement for a minimum guaranteed annual wage or an equivalent thereof. Progress is being made as the principles of job evaluation are improved and perfected, but this technique merely assures greater relative equitability in the distribution of company earnings between individual employees rather than in distributing total company earnings.

While it is admitted that many practical difficulties exist in the application of these principles, it is submitted that more research and experimentation is needed in discovering more equitable bases for distributing company income.

Profit Sharing

It is encouraging to note, whatever the success, bold experiments such as that recently inaugurated by the firm of Eric Johnston; a firm which is blazing new trails with a novel scheme to divide company earnings in a more equitable manner. Also to witness the recent research project launched by the United States Department of Commerce to provide business executives with more information about existing profit sharing plans and other methods of sharing earnings with employees so that additional facts may be made available for further progress in this direction.

Another area in which methods of handling relationships between employees and employers are undergoing significant changes is in organizational relationships between management and workers. Traditional forms of operating organization are gradually being modified by imposition of labor union organization upon the familiar line and staff structure.

Management has demonstrated a great deal of initiative in improving the internal operating efficiency of business by creating staff departments within the original line type of organization. Nevertheless, much remains to be done by way of assimilating employees including union members, shop stewards, local and other union officials into the operating structure of business.

In absence of organization changes to accomplish this objective, labor unions have circumvented the orthodox lines of authority to present grievances and other problems to higher levels of management. While this is not bad in itself, it is a threat to maintenance of discipline on the lower levels of organization structure and hence a threat to the very foundations of democracy.

Modifying Organization Relationships

Noteworthy experiments, thus far successful, in modifying organizational relationships to better assimilate workers are represented by those of the McCormick Spice Company in Baltimore and The American Cast Iron Pipe Company in Birmingham, Alabama. Another is the recent adoption of the so-called multiple management plan, originally developed by the McCormick Company, by the plants headed by Eric Johnston.

Efforts in this direction have been far too few in number, yet the fact remains that only by assimilation of labor organizations into organization framework of business enterprises is there hope for successful coordination and integration of the interests of workers with the objectives of business. Great courage and imagination is demanded of executives who undertake experimentation with such techniques, yet the very survival of democracy, to a large extent, depends upon the solution to this complex problem.

The Only Hope

Unless the analysis presented above may appear to be an over-simplification of the problem, other causes of industrial conflict should be mentioned. For example, many disputes which appear to be conflicts between management and labor are, as a matter of fact, jurisdictional disputes between competing labor unions. Others are precipitated by over-zealous politically ambitious union leaders who are willing to sacrifice their constituents to their own selfish ambitions. Still others, no doubt, are the subtle handiwork of sworn devotees of communism who are willing to scuttle existing liberties and progress towards greater freedom and security for the rank and file to their deluded belief that they will find greater power, material advancement and a better way of life under another kind of economic system.

It is submitted, however, that underlying even the aforementioned causes of industrial strife are the fundamental psychological conflicts within the rank and file which influences them to transfer their loyalties to leadership which offers them at least the hope for a better way of life. Unless management thinks fundamentally and approaches solution of the problem with fundamental techniques there appears to be little hope of ever resolving the conflicts between management and labor.

England Has Pulled Herself Further Out of the Hole She Dropped Into During the War Than Was to be Expected. Maybe Socialism Helped or Maybe Schemes Such as That Described Here.

England's Business Training Scheme

From British Ministry of Labor,
London, England.

Among the plans which Great Britain has evolved to meet the present problems of resettlement, none is more noteworthy than the Government's Scheme for Business Training. It is a bold attempt to prevent a tragic mistake like the one made after the war of 1914–18.

Many present-day executives suffered personally from the error which left most of the men then coming from the Services without effective means of readjustment to civilian employment. For the aspirant to the professions there was an effective scheme, the forerunner of the Government's Further Education and Training Scheme of today; but for the man who hoped to make his career in business there was no suitable or equivalent means of getting a training.

Shortage of Trained Executives

In far too many cases men of promise could get no better than a start right at the bottom on the wages of a junior. Conscious of their maturity and past responsibility, and having in many cases a family to support, they felt they could not afford to seek a training on such terms, and that there was no real hope for them in business.

Instead they struck out for themselves in ventures that were often chancy and sometimes foredoomed. Many lost their discharge bonus in dubious "partnerships." Although some courageously tried every kind of unconventional opening that offered, their inexperience often led them to pitiful extremes.

Apart from the broken hopes and lives entailed, this failure to resettle the man of 1918 satisfactorily proved costly to Great Britain. We lost half a decade's recruitment of first-class business material. As a result in the 1930's there was a serious

shortage of the $5,000-a-year-and-more man needed for the higher grades of executive work.

The new business training scheme is designed to help the absorption of young men (and women) from war service who are of potential management grade into business, by providing basic training facilities for them. It is a practical and realistic scheme, planned in close consultation with business men, who have been associated with its development and will assist materially and directly in its working.

The scheme includes maintenance allowances, so that candidates otherwise suitable are not debarred from accepting training because they are without means to live meanwhile.

The main features of the scheme are set out in a pamphlet "Business Training Scheme." A further leaflet, "Notes for the Information of Employers" deals with the development of the scheme from the standpoint of the employer.

The scheme will consist of a General Business Course, and a number of Specialized Business Courses, into which it is hoped that as many students as possible who take the general course will be able to go. Trainees under either course may be equally eligible for grant-aid.

Training Basically Practical

The general course will be planned directly by the British Government, and carried out in technical and commercial colleges in the principal centers of industry. It will last three months and will give the students a basic training in business fundamentals. As such it will be complete in itself, within the agreed limits set for it.

The specialized courses will be organized and run by firms or particular sections of an industry; they may last up to a year or even longer, and will be directly related to administration in the field of business represented by the firm (or section of industry) providing the course.

These specialized courses will, in many cases, be natural extensions or adaptations of training courses that have long been in existence in the more progressive firms. As such they cover fairly well-known ground and need not be enlarged upon here.

The general business course, however, is not an extension of existing practice, but is something quite new to Great Britain, It reflects the growing appreciation in this country of the importance of management intake and management training.

Whereas in America the choice of a business career has always been fully honored, in Great Britain this was not so; until quite recently business ranked in the general estimation below the professions, to which an undue proportion of the best minds were consequently attracted.

An Incorrect Assumption

Hitherto recruitment for management has normally been taken more or less for granted in this country, on the principle that a firm should "grow its own tim-

ber." This rule is sound only when allied to an adequate system of management-selection and training for promotion; otherwise it can give rise to the assumption that the qualities for first-class management are somehow inherent in every able technician, and will always emerge from long experience if that experience has been really wide and practical. That assumption is not ture.

The truth is that few men, having a practical and chiefly technical background, can be expected to have acquired the fundamentals of business management as well. Admittedly a few may have done so, but the majority will not. Ability to distil such fundamentals from experience is as rare among business men as elsewhere.

Management Can Be Taught and Learned

It is now reasonably well established that the basic principles of management can be taught and learnt, and there is little doubt that the right time to learn them is at the outset of a business career. The aspirant to business leadership, so taught, whether also trained as a technician or not, will then be well set to start his career on the right lines and to keep his sense of values in just balance and perspective throughout his business life.

Recognition of the value of teaching the basic principles of business management has only recently become widespread in this country. That recognition coincides with a unique opportunity, for we now have thousands of well educated ex-Service men and women, fitted to profit from training in the fundamentals of business management.

The business training scheme sets out to give to the potential business executive, without regard to any later specialization, a basic understanding of the principles of management; and to illustrate them from examples of good business practice so that they may be firmly grasped and never forgotten. It is the timely means by which the needs of ex-Service personnel can be met individually in a manner that will serve the common good.

The Strategic Outlook

It is undeniable that war service frequently develops high qualities of judgment and initiative that no form of civilian business experience could give during those all-important formative years. Among the qualities essential at a high executive level are the ability to keep the fundamentals of a situation always clear, and to select and assess salient facts, in short, the strategic outlook. Perhaps equally valuable is a combination of loyalty to superiors and subordinates, sense of personal responsibility and ability to work as one of a team, which are all factors rightly associated with active service.

On the other hand, qualities developed in the Services have generally to be "made over" before they can become of full use in business. There is too wide a gap between Service and business life for recruits to the latter to "carry over" advance-

ment they may have made in the former. They will have to prove afresh in business their capacity for leadership.

It is exactly to meet this situation that the three-month's general business course has been designed. It introduces the student to the business world; teaches him "what business is about"; and shows him the general structure of business life.

Within its set limits the course is precise and definite. It gives the student a firm grasp of principles that will help him to make the most of his future practical training and experience when he has obtained a job.

The syllabus of the course has been carefully prepared to present a balanced picture of business requirements. It includes an outline of the development and structure of the business world in general, and shows how the many types of business concerned fit into that picture.

Coming to Grips With Business Affairs

Coming directly to grips with everyday business affairs, the syllabus deals with the fundamentals of the human side of business, the relations of management and staff, and so forth. Accounting, financial, and statistical aspects of business are also reviewed in considerable detail.

The student is given a brief introduction to economics and law as they affect business, so that he is left with no illusions as to the complexity of the task before him if he is to help to conduct a business successfully.

Brief comments on the syllabus such as the foregoing may be somewhat misleading, because it may be contended that all this field has long been the province of the technical and commercial colleges. This is true; but throughout the instruction both the treatment and approach to the subjects in the new course will be refreshingly new.

While certain standardized subjects will remain the vehicle for the study of business principles, there will be an unusually realistic approach to their typical application in practice. Instead of the tutor giving the customary background of fact and detailed knowledge to young students, he will be dealing with men who are mentally mature.

Their attitude will be essentially practical, not academic; they will be concerned with the "how" and "when" and "where" as much as with the "why" of business management.

In short, they will not be merely acquiring knowledge, with the object of putting it into practice in some unspecified future, which is what a normal young student does; they will instead probably have quite clear ideas about their future plans. They will relate every statement about business made to them directly to the particular circumstances in which they hope to find themselves.

Most Students Have Small Sense of Urgency

SUCH men and women, eager to feel some certainty about their future, will not look on the general business course as the average student usually looks on the term ahead of him. He normally tends to progress along the road to knowledge at a comfortable assimilative pace with but little sense of urgency. They, on the other hand, will regard this new course as a bridge leading directly to the position they want.

This attitude of realism, this desire to "get down to brass tacks," underlines every aspect of the business training scheme. It is receiving highly encouraging support from the business world, and it is hoped that the first courses will have begun in April, 1946.

Employer Questions

AN IMPORTANT feature of the scheme is the setting up of Regional Committees. The strong local representation thus afforded ensures that the special needs of any region receive due consideration.

Among the typical questions raised by employers are the following:—

(1) "Does the setting up of a Specialized Course mean that I must set up and staff a proper training department in my business?"

Answer: No, not in the least. It simply means that you must provide practical training in each of the relevant departments of your firm. It is important that the trainees, during their training, should be under the direct supervision of a competent executive.

(2) "If I accept a candidate for a Specialized Course, does that mean that I am bound to take him on afterwards?"

Answer: Not necessarily. That would depend entirely on the arrangement your firm had made with the candidate. A firm would be wholly in order in taking a candidate into a Specialized Course on the clear understanding that admission to the firm would be determined at the completion of the course.

Employers will, however, be among the first to realise that these men will want to be sure of a job, and that it will make all the difference to their peace of mind while under training. For this reason it is clearly desirable that a man who promises well should, wherever possible, be given some assurance at an early stage of the course that he can expect to be taken on afterwards, if he qualifies.

Employer's Own Course

(3) "If I set up a Specialized Course I should wish, in fairness to my own promising employees, to put them through the course also, with a view to possible selection for management promotion. May I do this?"

Answer: Certainly. If you run a Specialized Business Course it is your Course, and you may put through it anyone whom you please. Indeed there is no intention that candidates under the Government scheme should receive special favor. They should take their chances on the level terms with those who are being considered for management promotion within the firm. In the case of a firm's own trainees, however, there can be no question of their receiving Government assistance while under training.

It is recognized that men and women released from war service will want to obtain posts as soon as possible, and it is hoped that in a number of cases employers will accept candidates at least provisionally before they begin the general business course. It will, therefore, be permissible for applicants to take the course before or after they have secured the offer of a post; and if in the latter case the employer does not release them for full-time training, to seek to make arrangements to take it on a part-time basis.

Naturally, acceptance for training can imply no assurance that a student will secure a post in business at the end of it. For this reason applicants for the Course are specifically advised not to forego an opportunity of securing the offer or promise of a position at any stage.

The Shortening of Working Hours and the Increase in the Number of Boring Jobs in Industry are Causing the Work Function to Be of Less Importance in a Man's Life than It Was Formerly.

The Value *of* Avocational Experience

By P. H. Casselman,
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Owing to the modern trend towards a greater division of labor we are fast deteriorating into a society of "square pegs in round holes." The fear of unemployment, the geographical immobility of the working force, resulting from various factors such as the natural disinclination to wish to leave one's family, friends, or country are preventing many workers from shifting into jobs which would more fully utilize their natural abilities.

Many Do Not Find Right Jobs

A certain number of employees with a mobile temperament will ultimately find their own level despite all obstacles, but it is the writer's firm conviction that many if not the majority will never find of themselves, their proper place in the occupational structure. This is one of society's greatest problems and one which requires the collaboration of employers, vocational counselors, educators, parents, placement officers, personnel managers and employees alike. The writer has no intention of elaborating a comprehensive plan for its solution in this paper. However, if we concede the point that many workers—and not necessarily the majority—are occupationally misfitted, the suggestions which follow may be of some assistance in helping these people find more satisfaction and happiness in the work function of their lives.

Modern Practice of Emphasizing Vocational Experience

The modern practice is to select and place men mainly on the basis of their occupational experience. The result of this practice is to freeze many men into certain

types of work as well as to condemn them to mediocre accomplishments in those vocations. Thus for instance, a man who has been an accountant for five years or longer encounters difficulty in getting a job in some other vocation, for every time he will apply for different type of work, he will meet the same objection, "We are sorry, but your experience does not qualify for this position." This judgment may be very sound but it also may be shortsighted for the man may be temperamentally as well as otherwise better suited to be a public relations officer. In other words, five years of accounting experience, has made of him a mediocre accountant but six months or less of public relations work may suffice to show that this person is a natural public relations man. In this case, vocational experience therefore, is not the clue to his genuine and natural ability. A little more time spent with this employee and with an eye on another part of his life, his avocational interests, activities, and experience may well reveal what he really is and what he can really do.

Avocational Experience

Knowledge of a worker's avocational experience and interests can be a valuable asset in selection and placement work because it may supply the key to his natural interests and aptitudes. The mechanization of industry and the division and simplification of labor are driving the working class into finding some channel of escape from work which is boring or too limited for their capacities. Whereas at one time men worked twelve to fifteen hours a day and had little or no time left for part-time activities, the general institution of the forty-hour week leaves the modern worker with more time to engage in various activities than he spends at his regular daily work. It may therefore be expected that if the empoyee has any abilities or ambition at all, and if they are not being put to use on the job, he will employ his leisure moments to engage in hobbies or part-time pursuits which give vent to his natural inclinations.

Pertinent data on an individual's aptitudes and personality may be discovered by studying his hobbies, his activities as a citizen or member of a community or a society and by looking into his part-time income.

Hobbies

Some hobbies reveal personality traits and mental characteristics of the highest importance to employers and to society if given proper attention. Many employees engaged in hobby painting, writing, etching, carving and other similar work may reveal that they possess a vivid imagination, creative ability, a highly cultured background or a well developed sense of balance and of proportion. The same hobbies may be evidence of a high degree of manual dexterity.

Social and Community Activities

A PERSON'S activities in his community, church or other environment may show that he has: 1) leadership qualities, 2) organization ability, 3) social sense, 4) sense of duty, and 5) ability to get along with others.

Leadership qualities may be revealed by the fact that he is a successful public speaker, or that he has held several important positions in prominent or widely known societies.

Organization ability may be detected by the fact that he has satisfactorily organized an association, or activity of use to the community. It may be a local baseball team, a picnic, a parade or a bazaar.

The worker's active participation in social and community affairs may prove that he has a highly developed social sense and sense of duty. These traits are definite requirements for certain positions, but he may have never been given the opportunity to fully express them while on the job.

If a man has a host of friends outside the plant or office it is usually a sign that he is easy to get along with whether this is evident or not on the job. Unsatisfactory working conditions may deter some employees from being good work companions.

Extra Income

DETERMINATION of the worker's income derived from other sources may in certain instances be positive evidence that from the point of view of the economy as a whole he is worth more than his salary or wage would lead us believe. Allowing for special cases where inheritance or other factors increase a person's income with little effort on his part, an employee who materially adds to his normal wage by sound investments, by teaching, by acting as consultant, by writing or by performing other remunerative part-time work is giving proof that he could earn more as a wage-earner if given the proper job and the necessary incentives. His present employer may be unable to offer him the opportunity his ability deserves but the fact remains that from society's point of view, this man is occupationally out of place.

How to Get the Information

BOTH questionnaire and interview may be used to obtain the desired information. A section of the regular application blank can be devoted to the avocational information or a special form can be devised for the purpose. In any event, a carefully planned interview will commonly prove necessary to supplement the data contained on the questionnaire. An excellent practice is to use the interview for items of a confidential nature since in avocational matters as in others, men will speak more freely in an interview than they will in putting statements down on paper.

Problems

THE main problem connected with the use of avocational information in selection and placement work is the difficulty in obtaining the desired data from the employee. Some workers object when employers or others attempt to pry into what they consider to be their private life. Moreover, certain requests are apt to cause more resentment than others. Thus, for instance, any attempt to obtain details on their part-time income may be met with opposition. This attitude is quite understandable. The point is to prevent it by inspiring confidence.

If the employee is not convinced that the information relative to his avocational activities is to be used for his own good he will be uncommunicative or will give evasive answers which will prove of useless value, In fact, three main points must be impressed upon the employee in connection with the above information; first, that it will not merely be supplied for the record, second, that it will never be used to discriminate against him, and, finally, that it will definitely be utilized to help him get vocationally adjusted.

A problem of a different order is to find and employ men who are well qualified to inspire employees with confidence and to assess the facts obtained. These appointments must be made with the greatest care and confined to persons with sound training in personality psychology.

Conclusion

THE gradual shortening of working hours, the increase in the number of boring jobs in industry, and the systematic organization of leisure time activities are causing the work function to take a secondary place or at least to be of less importance in a man's life than it was formerly. Selection and placement work which does not take those changes into account is definitely out of date, for it based on the assumption that most workers in time find of themselves the occupations most suitable to them. To expect the greater number of the odd 45,000,000 men and women forming part of the labor force of the United States and Canada, to discover and properly settle into the some 20,000 different types of occupations found in the economy, is unquestionally utopian. And although careful study and use of the worker's avocational experience can at best provide only part of the solution to the problem of occupational misplacement, it still deserves more attention than is being given to it in to-day's personnel administration practice.

Can Rating Scales be Any Good? The Author Thinks They Can be Improved if Workers to be Rated Choose the Words Which are Used to Describe Their Qualities by Supervisors.

Better Words *on* Rating Scales

By James D. Weinland,
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In making a descriptive rating scale it is always a major problem to find the best descriptive adjectives to mark the distinctions which the scale should make. To use straight line, colorless, adjectivessuch as good, better, best, is not sufficiently meaningful so that different raters will reach a desirable degree of uniformity. A "good" degree of skill to one judge is "excellent" to another and only "average" to a third.

In order to find differentiating descriptive phrases a word hunt should be instituted. Both the dictionary and the workers can be called on to contribute, but the hunt should not end until clear-cut characterizing phrases, in the worker's language, have been assembled. Those using the rating blanks provide the final certification that the phrases are meaningful and descriptive.

The problem then remains of spacing these descriptions properly on the rating line. In doing this the first impulse would be to space the descriptions as evenly as possible. For instance, on a five description rating line, one might try to make the difference between descriptions 1–2–3–4–5 all equal. But to do this, disregards two common human tendencies.

The Over-Worked Average

The first of these tendencies is that of overworking the average or middle description. Whenever a rater wishes to avoid responsibility he can take recourse to checking the average rating. This is done so much that frequently cautions against it must be given. It is desirable, as well, to reduce this tendency by constructing the rating blank so that evaluations away from the average will be encouraged.

The second common human tendency is to avoid extremes. Workers do not easily rate their subordinates as "supreme" or "ignorant." If descriptive phrases are selected that appear exaggerated to the raters who use them, the judgments will be limited to the more conservative descriptions on the rating scale and part of the blank will be waste paper.

The following technique will help to accomplish the objectives given above (1) of obtaining adequate descriptive phrases in the workers language, (2) of finding phrases that make it easy to depart from an evaluation of "average", and (3) of finding phrases for "end" ratings that will not be too extreme.

Salesmen Pick Their Own Words

The steps followed were these: First, the workers themselves, who were to be rated were asked for descriptive phrases for given characteristics, as follows: "Consider the expressiveness of people's faces. We want to find descriptive words for the scale line given below (to be used with selecting department store salesmen). Write down some words that occur to you such as "merry"—"smiling"—or "serious" that could be used to replace the adjectives and numbers we have used.

	100		50		0
Attractiveness of facial expression	very good	good	average	poor	very poor

The following descriptive words were submitted: Inert, pleasant, reposed, sober, repellent, winning, frigid, serious, stupid, eager, sneering, expressive, serene, firm, bewildered, dull, quiet, vivacious, blank, alert, discontented, determined, tired, weary, brutish, refined, peaceful, healthy, contented, complacent, smug.

They Evaluate the Words

Step number two was to ask those who later would use the scale to differentiate between the phrases. Here a nine point scale was used with the intention of later dropping phrases that would fall in the position of one-three-seven and nine.

(1) 2 (3) 4 5 6 (7) 8 (9)

The phrases in parentheses are dropped. That is, descriptions that seem extreme are eliminated. The differences between the average judgment and the one above and below are smaller than they would be on an evenly divided five point scale and invite judgments deviating from the average.

A blank scale was now handed out along with the descriptive words previously contributed, with a request to scale the words, as follows:

Consider the attractiveness of salesmen's faces. We want to select descriptive phrases for this attractiveness, or its lack, for the scale line below. Let (1) represent the most pleasing facial expression and (9) the most unsatisfactory expression.

Number all the words below from (1) to (9) indicating that you would place them so on the rating line.

Consider the attractiveness of Facial Expression:

1	2	3	4	5	6	7	8	9
attractive				average				unattractive

Values Given Are Averaged

The values given were averaged and their standard deviations obtained as follows:

Word	*Average*	*S. D.*
Winning	2.1	1.03
Merry	2.2	.85
Smiling	2.3	.96
Alert	2.4	.81
Refined	2.6	1.01
Pleasant	2.6	1.10
Vivacious	2.6	1.20
Eager	2.9	.98
Healthy	3.2	1.6
Expressive	3.2	1.07
Determined	3.6	.87
Peaceful	4.1	.82
Firm	4.2	1.07
Contented	4.2	1.00
Serene	4.3	.98
Serious	4.7	1.90
Reposed	5.0	.93
Quiet	5.0	.66
Sober	5.1	.79
Complacent	5.6	1.5
Tired	6.4	.91
Weary	6.6	.78
Bewildered	6.8	.81
Discontented	7.3	.97
Smug	7.3	.93
Inert	7.4	.78
Frigid	7.5	.88
Dull	7.8	.74
Blank	7.8	.92
Sneering	8.4	.67
Stupid	8.5	.54
Brutish	8.6	.84
Repellent	8.6	.52

From the descriptive words above, we now want to select examples in the relative positions of 2–4–5–6 and 8. As the one's and nine's are averaged out, no words were consistently given these positions, the "two" position will be represented by a word averaging two—plus and the "eight" position by a word averaging seven—plus or eight—minus. No distortion of this kind effects the center of the distribution.

Words Finally Chosen

It will be preferable to select the final words needed, from the list provided above, by simple judgment rather than further statistical devices, since the phrases finally picked should be slanted toward the particular kind of work to be rated, in this case department store salesmen. In general the words with the lower standard deviations, other things being equal, will be preferred as having a more distinctive meaning to the workers.

The descriptive line as it finally appeared on the rating scale was as follows:

	Alert	Firm	Quiet	Complacent	Frigid
Consider the attractiveness of facial expression	1	2	3	4	5

A similar procedure was used with each characteristic rated.

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Decisions About What to do Involve Joe, Other Workers and Supervisors, the Personnel Office, Safety, Union and Various Other Factors in the Shop.

Joe *and* His Foreman

By John E. Horrocks and John R. Kinzer,
Ohio State University,
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Industry will find that efficiency and employee goodwill are best promoted by a selection policy that places and upgrades employees upon fair and objective bases. A company wants to know that it has made the best possible choice for a position and workers like to know that merit and ability have a prominent place in all personnel matters. Foremen and supervisors occupy such an important position between workers and top management that their goodwill and high morale are prime considerations.

Hit or Miss Methods Bad for Morale

In the past, the method of supervisor selection and promotion has been a combination of "hunches," favoritism, seniority, and a remembrance of "incidents thought to be indices of supervisory ability." Such hit or miss methods are bad for plant morale and are often expensive mistakes. There is need for some objective means of identifying employees who will make good supervisors. Such an objective means is needed especially in a large organization. In the larger organizations there is need for a list of promotable prospects who will be given supervisory training either in advance or at the time a promotion is made.

The objective bases mentioned in the foregoing discussion might be interviews, observations, or work samples. The training of interviewers to make standardized, objective observations is practically impossible. If such standardization were possible there would be differences between plants and between jobs within a plant. A better method would be the administration of tests to measure supervisory qualities. Such tests should be short, general, and inexpensive in time and money.

Is it possible to construct paper and pencil tests which will aid in supervisory selection? In consideration of this question one must determine the possibilities and the limits of asking a series of questions. A person might be asked to answer "yes" or "no" to certain questions, or to give some more qualified answer which can be scaled. Such a scheme was used by Quentin W. File in his *How Supervise?* The big advantage in short answer tests is ease of scoring.

A test might be devised to which long, essay-type answers may be written. But such a test would be time consuming, difficult to score, difficult to standardize, and difficult to scale.

"Knowing" and Doing"

The chief difficulty with both the short answer and the essay-type tests previously devised is the fallacious assumption upon which the tests are based. Unfortunately, tests such as those described above assume that if a person is able to recognize the right answer in a test, he will be able to perform properly when confronted with a similar situation in the plant. Such an assumption between "knowing" and "doing" is completely unwarranted.

A situation in the shop is almost always exceedingly complex. The situation of the moment has many antecedents. As the situation develops the supervisor must act. However, he must act in terms of the factors preceeding the situation, in terms of the kinds of people involved, and in terms of possible consequences. In short, a real situation cannot be faced in terms of simple "yes" and "no" alternatives. The supervisor must diagnose the situation and must act (or refrain from acting) to promote the interests of all concerned.

Horrocks (Horrocks, John E. "The Relationship Between Knowledge of Adolescent Behavior and Ability to Use Such Knowledge" Accepted for publication *Journal of Applied Psychology*, 1946) has found in a recent research study that knowledge of what to do (as shown by formal test questions) has little relationship to performance in a practical situation. The same investigator also found that the ability to diagnose a situation did not necessarily indicate ability to make a wise choice in remedying the situation.

Joe Greene

A supervisory test must be complex enough to simulate a life situation in addition to its demand for knowledge. A work sample seems, at first glance, to be a good idea, but the factor of time cannot be satisfactorily brought into the work sample, especially when the sample must be a supervisory situation. A series of work samples might furnish data of value, but there would be a definite lack of temporal continuity.

The writers, after considerable experimentation with this problem, constructed a device (Kinzer, J. R., and Horrocks, J. E., *Joe Greene: A Supervisor's Opinionnaire.*

The Ohio State University, Columbus, Ohio, 1946) to measure a foreman's supervisory ability as evidenced by his reactions when confronted with a complex situation requiring an application of knowledge. The device, called *Joe Greene*, is an artificially constructed case study in story form. The case was constructed on the basis of job analyses of foremen's personnel relationships. The measuring device presents statements which get at both knowledge of personnel relationships and which demand action in a specific series of situations with temporal continuity. The scoring of the case study is simple and it can be administered in a relatively short time.

Joe and His Foreman

The case study describes the career of Joe Greene from the day he was hired until the termination of his employment. The story is a series of related incidents involving Joe and his foreman, Mr. Smith. The story is presented in three short, separate parts. After each part is a series of statements which require the reader to make decisions and to state his opinions as to the best thing to do.

Decisions to be made involve Joe, other workers and supervisors, the personnel office, safety conditions, the union, and various other factors of the shop scene. The case is presented in three parts so that a picture of action over a period of time will be seen, and so that the person taking the test will not have to read an undue amount of material before he begins answering questions. Thus, the breakdown of the case into parts makes memory play a smaller part.

The case study is scored in the answer booklet used by the foreman. Several sub scores may be obtained and a profile drawn so that the foreman's particular status may be seen in relation to that of other foremen who have taken the test. The three chief sub scores are *Knows*, *Does*, and *Morale*. Concealed within the test is a temperament or personality scale so that a more complete picture of the foreman may be obtained. The temperament profile, whose use is optional for those administering the test, is obtained by a second scoring of the answers to the case study. Measures such as those of autocracy-democracy and security-insecurity may be obtained by this second scoring. The inclusion of the temperament scale as a part of the case study is economical of time and does not give the foreman the impression that he is answering a "personality" test.

Other Recommended Tests

It is recommended that to get a full picture of the supervisor's ability a test of mental ability be given in addition to the measures already discussed. Any good short form of an intelligence test that does not stress verbal factors to too great a degree is recommended. Industrial experience with the short form of the Otis has been quite successful. The test of temperament is somewhat more difficult and will probably be eliminated by many. In addition to the scale included in the case study there are various other tests of temperament available such as the Humm-Wadesworth.

More elaborate testing of supervisory ability might wish to include small job samples and various measures of special aptitude or abili y. These would be particularly revealing in particular instances after the case study test had been used as a screening device. However, in view of time and expense, most industrial testing prefers to confine itself to one or two short easily administered and scored items. For such a program the case study test together with a measure of mental ability would appear to have real possibilities.

Correction

The October, 1945 issue of the Journal of Applied Psychology carried an article by Mr. Quentin W. File titled the "Measurement of Supervisory Quality in Industry", being a report of the results of a study of this subject he made.

The January 1946 issue of the Personnel Journal carried a digest and interpretation of Mr. File's study as reported in the Journal of Applied Psychology, under the title "Are Management's Views of Supervision Faulty?"

This digest and interpretation was the work of the editorial staff of the Personnel Journal, but unfortunately as the by-line and contents page were laid out it appeared that Mr. File was the author of the digest and interpretation of his own work. This was not so.

The Personnel Journal offers its apologies to Mr. File for this error in layout, and trusts that if the views expressed in the interpretation were at variance with those held by Mr. File he has not been unduly embarrassed thereby.

Most Personnel People Dealing with Veterans Are Civilians. Even the Most Competent Ones Can Offer Only a Lukewarm Interest. Generally Their Basic Outlook is Wrong. Each Large Corporation Should Have a Combat Veteran in the Personnel Department.

Veterans *and* Large Companies

By Ernest A. McKay
Brooklyn, N. Y.

There has been much foolish talk about readjustment, but the veteran white collar worker who has returned to his old job in the large corporation is a serious problem. He is a challenge to personnel managers, and the challenge is not being met. To make matters worse, top management, for the most part, is unaware that a problem exists even though many of their firms now employ five thousand or more servicemen. The average clerk, salesman, and even executive hopes to get ahead. He is ambitious and he is an individualist.

He Mutters

He does not run to his shop steward, or make speeches at Legion conventions. He merely mutters to himself and hopes that time will solve his troubles. But time will not solve all his troubles, and if the big corporation does not examine this sore spot the source of irritation will grow through the years.

What is the trouble? Certainly the majority of companies have been benevolent throughout the war. They have aided employees' dependents; part salaries have been paid; many have bestowed generous Christmas gifts; and all have followed the spirit as well as the letter of the law in welcoming the return of the veteran. Why, then, only a year after V-J Day, is the veteran employee embittered? I have talked with large numbers of such employees formally, and in casual conversation as a fellow veteran, and the vast majority are disappointed and disillusioned.

This is what has happened. For the past four years the best youth of the corporation has had plenty of time to gain perspective and dream about the future. All have been broadened by their experiences, many have gained experiences during

their military life which should prove to be of immediate practical value. All have matured. So they have returned to their work with new enthusiasm, fresh ideas, and ambition. Their dreams have rapidly vanished, though many of those dreams, it is true, were absolutely worthless. Many expected positions of greater responsibility when they had no legitimate claims to greater responsibility. But it is the ineptness in handling them as individuals that has hurt.

Forget the Last Four Years

Big business refuses to believe that a man could possibly learn anything of lasting value in the service. Time and time again they have been told, "We are not interested in what you did in the Army." At a recent sales meeting a twenty-eight year old Army Air Force Colonel who had commanded an Air Wing in the Pacific, and who was responsible for hundreds of lives as well as the aggressive pursuit of the enemy, made the grave error of referring to an incident in the Army. He was quickly told by his superior that it would be best to forget the last four years.

Upon returning to their old company a few, a very few, have received better jobs. Some have received their old jobs and fortunately are satisfied, but many have discovered that they have outgrown their work. The saddest of the lot, however, are the hundreds, if not thousands, who have received their salaries, but because of changes in organization are completely without useful work. Nothing is more demoralizing. For months they have wandered aimlessly down hallways, shuffled blank pieces of paper, and sharpened pencils galore.

When they place their predicament before their boss they receive a polite response. They are told that they cannot expect to become vice-presidents in a couple of weeks. They are also assured that they will be given a good reference if they care to look around for something else. So the young man that could produce, and desperately wants to produce so much for the company is now dejected and defeated. The large corporations can afford to pay men to do nothing, but they cannot afford the ill will that is spreading in business today.

Loyalty Is Chipped Away

That, unfortunately, is only the beginning. The same person that severely criticized wasted manpower in the Army and Navy, where organizations sprouted up over night, now realizes that that defect is not confined to the services. It exists in big business and with far less reason. So the man who has been allowed to stagnate looks around and starts to pick flaws. His loyalty starts chipping away. He sees that even though he has been granted seniority in years many persons are hired today at larger salaries for positions which are in equal or even smaller classifications.

He becomes embittered by the advancement of "draft dodgers," and the placement of defense workers. He becomes tired of fellow workers regarding him with annoyance as returning competition. He feels left out of the picture and does not know which way to turn. He forgets that management is faced with many other

problems of tremendous import. He starts believing misinformation which is always in circulation, and his complaints which were once legitimate grow and become distorted. The result is that both management and the employee have lost. Time will not solve this problem because it is a rolling snowball.

What can be done? The progressive ex-serviceman does not expect favoritism even though he is constantly reminded by civilians that all G.I.s are "in on the gravy." He should expect fair play.

Civilian Basic Outlook Wrong

Most personnel people today who are dealing with the returned veteran are civilians. That is a mistake. They cannot possibly appreciate a serviceman's mental processes. The best they can do, even the competent ones, is to offer lukewarm interest. More important, their basic outlook is wrong. The civilian believes that the veteran's attitude during the readjustment period is caused by numerous unpleasant war experiences. That is not true. His troubles during readjustment are based upon a *deep concern for the future* rather than anything that has occurred in the past.

The large corporation would do well to establish at least one combat veteran in a personnel position where he could help others find themselves. His chief objective should be to aid the employee in finding happiness in his work. The result for the corporation would be one more step towards modern, effective personnel administration.

Combat Veteran In Personnel Position

Some of the functions of such a position could be:

1. Listen to the veteran's thoughts. Hear his new ideas. Let him air his complaints, and learn where he has been misinformed.
2. Help develop new ideas through the proper channels when they are sound. Straighten out legitimate complaints. Clear up misinformation.
3. Discuss company policy, and where possible, future plans of the company. Too often the top men in management have the best intentions, but the fellow down the line never gets the word.
4. Recommend changes in positions where possible. This does not, of course, mean promotions. There are many accountants who would prefer marketing, and marketers who would now prefer accounting. That is merely an example. Many valuable switches could be made which up to now have been overlooked.
5. Investigate the employee's military background. The company may benefit greatly by new techniques and practices.

What would all this do? It would erase the cold, nearsighted indifference of management, and the bitterness of the employee. Both would benefit by a sound personnel relations program which would help to build harmony for the good of the entire organization.

It is an Interesting Experience to Sit Outside an Employment Manager's Office and Listen to the People Waiting to be Interviewed by Him and Then to Sit in With Him and Listen to Him Being Kidded by Job Applicants.

Turnover Begins With Hiring

BY HERMAN SLAVIN,
Guidance Associates,
Brooklyn, N. Y.

LAST February, the most recent month on which we have nationwide statistics, quits and discharges among factory workers dropped to 43 per thousand per month. This represents the lowest level reached in over four years. But even this improved rate means that less than one out of every two persons now being hired will stay on his job as long as one year. And the ratio is far higher for employees with previous experience.

Expensive Learning Period

EVERY personnel and factory manager is well aware of the elementary fact that turnover among skilled workers costs money. They know, too, that turnover among unskilled, new personnel is even more costly. For not only do such workers take a considerable time to learn their jobs and to produce enough to earn their keep, but they absorb a large amount of expensive supervisory time in the course of their training, and often damage either goods or good will in the learning process.

As we near the return of normal competitive conditions, management must look around for corners to be cut. In an era in which many costs are fixed by government regulation or law, or by union agreement, there remains still at least one field in which impressive economies are clearly possible.

The right of an employer to hire the potentially most efficient worker is still largely unabridged. And it is in this area that substantial savings can be achieved. For many of the causes of turnover stem from the initial hiring.

Store Hires College People

A NUMBER of years ago, the directors of one of the largest stores in New York City decided that they would employ no one, even for their simplest selling jobs, who had not obtained a college degree. This, they believed, would give them their money's worth and more. They thought that they were going to obtain the most intelligent and polished men and women in the retailing field and each week would witness a new sales record.

However, much to the chagrin of the store management it didn't work out that way at all. It was not long before the bright and ambitious college graduates discovered that few, if any, of them were going to become section managers or buyers. And selling at a counter, day after day, can be a dull, wearying, and futile job to many people, just as it can be fascinating to others. Thus, in a fairly short time, the store had on its hands the largest number of bored and dissatisfied employees gathered in a single relatively small area. And the resulting turnover was devastating. Today that store has a well-rounded and integrated testing program by which personnel is selected in accordance with the requirements of the particular job to be done.

"I Think It Would Be Interesting"

IT IS now an acknowledged fact that, hiring can be done just as inefficiently by engaging people who are too good for their jobs as well as by taking on others who are not good enough. And it can be done badly in other ways.

How are most inexperienced persons hired? Generally, by an interview. They are asked whether they would like to do the kind of work offered; the answer is, naturally, "Yes." The question "why" may be answered in a variety of ways, ranging from "I think it would be interesting" to "I need a job." Obviously, none of these replies can establish in satisfactory fashion the competence or aptitude of young men or women and their potential usefulness to any organization.

If the applicant's manner is pleasing, if he comes well-recommended, or if his appearance conforms to the foreman's or personnel man's notion of how such a worker should look, he is hired. But can clerical, sales, or mechanical ability be recognized by looking at or talking to a job seeker? Few, if any, authorities in the field of personnel administration will answer that question affirmatively.

Today, standardized interest, intelligence, aptitude, and personality tests are scientific tools which are as essential to efficient management as market surveys, billing machines, cost accounting, and assembly line production. No alert enterprise refuses to avail itself of the decrease in costs and the increase in profits that these make available. Nevertheless, there has not been an equal readiness to accept and to intelligently utilize the advantages of personnel engineering.

"I'd Like to Work for You"

IT IS the easiest thing in the world for an applicant for a job to say "I'd like to work for your company; I've always liked that kind of work." But for a number of

reasons his statement may not be true. In his eagerness to get a job he may tell what he considers a white lie. He may even think he is interested in the work offered when in actuality he has neither knowledge of or experience in the particular field. Or the interest which may actually be present is based on nothing more substantial than the fact that other members of the family are engaged in the same kind of work, or that there is considerable prestige attached to it, or that the starting wage is fairly attractive. But a standardized interest test, carefully administered, objectively scored will, in a large number of cases, separate the wheat from the chaff.

More important, perhaps, than interest is aptitude. For while interest may develop as familiarity and skill grow, aptitude is usually considered to be inherent in the individual, or at least so firmly fixed at the age of sixteen or even earlier that it can no longer be produced by training or experience. Today, as a result of years of experimental and practical work, there exist very satisfactory objective tests for the measurement of mechanical, clerical, sales and other aptitudes. And there is little, if anything, that any youngster or adult can do to bring about the appearance of an attitude where none exists.

Intelligence tests have been in wide use for many years. Their accuracy has been validated in tens of thousands of cases. And their utilization in industry in making assignments to jobs which require various degrees of mental acuity is unquestionably sound personnel practice.

Unproductive, Troublesome, Costly

Finally, there are the personality or adjustment tests. More recent in development than intelligence and aptitude scales, they, nevertheless, must play an increasingly important role in the wise selection of workers. More and more is it becoming clear that jobs call not only for certain levels of intelligence, for specific skills or aptitudes, but often for definite personal qualities and attitudes.

The employee with the wrong temperament, even when otherwise properly assigned, quickly becomes maladjusted. Inevitably, the maladjusted worker is unproductive, troublesome, costly. And while the validity of psychological measuring devices in this field is not as great as in others, their usefulness in the hands of a professionally trained and experienced staff is no longer debatable.

The largest source of new personnel for any employer must of necessity be inexperienced or technologically disemployed workers. In these cases probable usefulness to the prospective employer cannot be measured by an interview or an application form because there is no work history or one not strictly comparable. But the most enterprising organizations, utilizing modern personnel tools, leave little to chance and less to guesswork in making their original investment in new workers. Reduced turnover, more productive and better satisfied employees are the dividends.

The Racket in a Canning Factory is Such that Workers Cannot Talk with Each Other and So Are Isolated But Music Seems to Help Them Feel Not So Much Alone.

Canning *to* Music

By Franklin C. McPeak,
North Sacramento, Cal.

Music for industrial purposes came into its own during the war years when management was willing to try anything to speed up production. That it was successful is testified to in many private and government reports. However, to the best of the writer's knowledge, music has never been used in a large canning plant. In some respects this is surprising since a cannery makes an ideal situation for the use of music. The greatest proportion of cannery jobs are repetitive in nature. The work is seasonal and the material perishable; therefore, the hours of work are long.

A Noisy Job

The nature of the individual task is such that all work must be performed while standing. As a result of such factors, the worker tends to experience an unusual amount of fatigue. This condition is especially understandable when it is realized that most of the personnel are women—middle-aged women. Further, noise is constantly and overwhelmingly present. Cans run every which way on overhead belts, gears drive long belts, steam emerges from a hundred steam cookers. Noise fatigue is inescapable.

These fatigue-producing factors cannot be ignored by management for although the work may be simple and repetitive, it nonetheless demands workers who are alert and capable of concentrating their visual and tactile senses throughout the working day. Thus, the situation is ideally suited for industrial work music, yet in the past the extreme noise level has always discouraged the use of music, It was

felt that music could contribute nothing to the job if it had to compete with the din and clamor of the cannery.

A new high fidelity sound system was developed in order to make better industrial music possible. It was believed that this system would be capable of bringing the advantages of music to cannery workers. Arrangements were made with a large canning company to install the system for experimental purposes. To insure better control of the experiment, only two canning lines were utilized. One of these lines was the noisiest in the entire plant; the other presented only the usual discord of the cannery.

The experiment was conducted over a ten-day period and music was provided daily from 9 to 9:30 A.M., 10 to 10:30 A.M., 11 to 12:30 P.M., and 2 to 3 P.M. At the end of the testing period an evaluation of the results was made. Unfortunately, no valid comparative production figures could be used since there were other variable factors at work influencing production. However, questionnaires were completed by every woman involved in the test. The questionnaire was so worded as to provide a good indication of any added productivity brought about by the music.

TABLE I

RESULTS OF TEST CONDUCTED

June 16 to June 25, 1946

ITEMS	SORTING DEPT. (LESS NOISE)	CANNING DEPT. (NOISE)	TOTAL
1. I like music while I work.	Yes 25 No 0	Yes 17 No 3	Yes 42 No 3
2. I enjoy my work more when music is played.	Yes 25 No 0	Yes 17 No 4	Yes 42 No 4
3. I go home from work less tired when music is played during the working day.	Yes 25 No 0	Yes 17 No 4	Yes 42 No 4
4. I believe I do my work better when music is played during the working day.	Yes 24 No 1	Yes 17 No 4	Yes 41 No 5
5. I believe that music during the working day puts my working group in a happier frame of mind.	Yes 25 No 0	Yes 17 No 4	Yes 42 No 4
6. Despite the noise within the cannery I heard enough of the music to enjoy it.	Yes 25 No 0	Yes 16 No 5	Yes 41 No 5
7. I found the music to be annoying and disturbing.	Yes 0 No 25	Yes 4 No 17	Yes 4 No 42
8. I found the noise within the cannery less noticeable and tiring when the music was played.	Yes 25 No 0	Yes 17 No 4	Yes 42 No 4
9. I would like to have the playing of music continued.	Yes 25 No 0	Yes 18 No 3	Yes 43 No 3

Most Employees Like Music

TABLE I indicates the nature of the questionnaire and the results obtained. The results are shown by department and by total. The picture is clear-cut and self-evident. Especially revealing are the remarks which were spontaneous in origin. The completed questionnaires leave no doubt as to the ability of music to add to the work-satisfaction of an employee group, even when the music is presented against a conflicting background of maddening noise. It is reasonable to assume that increased production and better employer-employee relationships are natural concomitants of this increased work-satisfaction.

Spontaneous Remarks

Sorting Department

1. Please give music. (Reported on 5 separate sheets.)
2. Please have more popular songs played and sung.
3. Please try and play some Spanish music.
4. Yes, we want music.
5. Yes, music.
6. Would like music.
7. Would like to keep music.
8. I would really enjoy the music.

Canning Department

1. The noise in the cannery is so loud you could not hear the music plain enough to know what they were playing otherwise if there were no loud noise in the cannery the music might be more applicable during working hours.
2. I do not like the music while at work it causes our mind to drift from our work and also when too loud causes headaches and nervousness.
3. The music is fine if it so we all can hear it.
4. By all means have music for I and a great number do like it.
5. I do think music is nice. I do think everybody works faster when the music is going. Bring the music back.
6. Air conditioning or fans would be more beneficial.

Book Reviews

Book Review Editor, MR. EVERETT VAN EVERY
California Personnel Management Association, San Francisco 2, Cal.

THE WAGNER ACT: AFTER TEN YEARS

By Louis G. Silverberg. Bureau of National Affairs. Washington, D. C. 1945. 126 pp.

On its tenth anniversary the National Labor Relations Act has probably earned the distinction of being the most controversial and most publicized statute.

Today's labor strife and increasing work interruptions are said to be an effort on the part of our present economy to evolve a national labor policy. What forces are at work, besides the clashing contestants themselves, are not clearly known; but this book goes a long way in applying a calm appraisal of what has been done. The study is not only a scholarly examination of the Act and its impact for the past ten years, but is also a symposium of leading experiences and opinions from many points of view.

Senator Robert F. Wagner, after whom the legislation has become more popularly known as the "Wagner Act," wrote the introduction and put in a good plug for his present legislative proposals.

Leon H. Keyserling and J. Warren Madden discuss the history and background of the Act in separate articles. Charles Fahy and Malcolm Ross relate how the N.L.R.A. withstood the courts and fared in the forum of public opinion. Lee H. Hill and William M. Leiserson take opposing stands on how the Act can be improved. H. A. Millis contributes the final chapter with a testimony on the price of collective bargaining and how he believes our American way of life can be improved through its earnest practice.

The tenth anniversary of the Act finds this legislation under the most severe criticism it has faced to date. Critics in both the Senate and the House are flaying weaknesses of the Act, its one-sidedness in granting special privileges to union members with no corresponding benefits or equivalent protection from similar abuses for employers, management, investors and stockholders. While the pro's and con's of the Act are now being debated in Congress as a contributing factor in our present labor strife, it is very likely that the issues raised and general appraisals laid down in this study will go far in determining the inclination of Congressional action and the trend toward a future labor policy of the country.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

Formerly by Personnel Research Foundation

Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 25 *Number 5*

Contents for November 1946

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Management is Resourceful and Resilient. It Always Knows How to Cut Costs. It Gets a New Fount of Resourcefulness and Ideas Whenever There Is a General Wage Increase. Wage Increases Therefore Should Not Lead to Price Increases. So Labor Seems to Think.

National Collective Bargaining

By Solomon Barkin, Textile Workers Union of America, CIO, New York.

If we are to comprehend fully the evolving forms of collective bargaining, we must understand the specific purposes and meaning of the trade-union. It is the product of a competitive democratic capitalistic society. Unions did not exist before our present social system; and new orders will produce new forms of labor organizations. The trade union movement is the worker's instrument to express his dissatisfaction with current arrangements and institutions about him.

You cannot measure trade unions in the same terms as you might evaluate any other social organization in our society, because obviously the trade union movement protests against other institutions. It exists only because workers have found business and other institutions in our society inadequate to answer their needs.

Unions Main Form of Worker Organization Here

Workers are restless because certain demands have not been answered or fulfilled. That restlessness has been channeled into the trade-union movement. The trade union is, at least in our society, the first normal outlet for a worker's expression of dissatisfaction with his lot. It is the most immediate one. He can't turn to politics because as an individual he is completely helpless in the political arena. No political organization will hearken to him unless it be the old Tammany type which was willing to distribute a bit of largesse here and there to get a vote. But it was not answering his basic needs.

The trade-union movement is only one form of labor organization. In this country, it is the most dominant and almost the exclusive one. But in the history of labor under capitalism in other countries, the trade-union has been only one of a number of organizations within what is called the labor movement. In Europe, Australia and New Zealand, the political wing of labor is sometimes equally important to, or more important than, the trade-union as a means of satisfying this basic restlessness among workers which demands new channels of expression.

Why Green and Murray Believe in Free Enterprise

In this country, however, there are very few alternative, or subsidiary, forms of expression for the worker other than the trade-union. The dominant characteristic of the American labor movement is that it expresses itself through trade-unionism. This explains how both William Green and Philip Murray can appear before American business groups and say: "I am in favor of free enterprise." They are truly in favor of free enterprise, although not as defined by the people whom they address.

Green and Murray believe in free enterprise because they believe the trade-union movement can be the leverage for effecting all of the worker's ambitions. They believe it can become the tool for the full expression of labor dissatisfaction and yearnings, which in other countries must be guided through a variety of labor groups, including trade-unions, political parties, cooperative housing projects, public welfare organizations and a wide variety of intellectual efforts.

The trade-union movement, therefore, stems from a wider fount of personal and group dissatisfaction than economic dissatisfaction. It is true that the economic lot of the worker is basic to his entire outlook. Nevertheless, we know that there is a greater drive than wages behind this will to organize. It will never be satisfied merely by recognizing the worker as a union member in an individual plant.

Balanced Progressive Economy

The trade-union is a crucial institution in our economic society for two important reasons. First of all, it is the only institution in our economy which *emphasizes* the social and public functions of business. It emphasizes above all else the human impact of what occurs in the business world. It is constantly asking for full employment, not as a mere economic phrase, but as a practical proposal. It asks for full production, full employment, annual wage and full use of resources for raising the standard of living. No other institution in our economy is dedicated to the ultimate realization of these purposes.

Secondly, the trade-union movement, as an economic institution, is the only one truly dedicated to the establishment of a balanced economy, one which is by and large free of the wide fluctuations known as the business cycle. The trade union movement is dedicated to securing such stability. It engages in open economic conflict to attain economic stability. It states its economic demands not only as a desire for more money, but also as a demand for a "larger share of a larger pie." That is a basic economic concept of the trade-union movement. It says: "We not only want more wages, but we also want a larger proportion of the national income. We want it because that is the only way we are going to have a balanced economy."

Level to Which Savings Should Be Reduced

Trade-unionism rests on the belief that by expanding consumer expenditures sufficiently we may ultimately reduce savings to a level equivalent to the ability of our economy to absorb new investments. That economic philosophy is so con-

trary, so strange, to the mores of our business world, that its concepts until recently were foreign to the American public. It is still challenged by American business, though now endorsed by the liberal economists. The latter are today articulating the concepts which have long been basic to the drives of the trade-union movement.

These two trade-union concepts are frequently forgotten in the day to day experience in industrial relations.

One conclusion, to be drawn from this analysis, is that it is both fallacious and dangerous to think that we can secure industrial peace through minimizing industrial disputes by considering them petty and local controversies which must be settled at any cost, irrespective of results. Unfortunately that philosophy and attitude prevails in the day to day efforts of many conciliators. This approach frequently aggravates disputes because organized labor usually has its mind set on the larger objective, and is not easily talked out of its particular demands. One great aim of every conciliator must be to assure himself that the settlement of a dispute will contribute to lasting industrial peace. We are not going to have industrial peace unless we satisfy the two fundamental trade-union tenets discussed above.

Emily Post Not Accepted as Arbiter of Union Behavior

A second conclusion is that there is no point in asking for moderate behavior of trade-unions simply because Emily Post says so. The middle class created the concept of wealth, and the English aristocracy created the "gentleman". The ordinary rules of deportment still should govern everyone's conduct, but the "gentleman myth," if you will, stems from a completely different social environment, one which has little in common with the denim of the mill or the overalls of the building worker or even the white-collar of the clerical worker.

Labor, when engaged in disputes, is trying to solve the problems of social or economic justice (i.e., more wages, shorter hours, overtime pay, security provisions and other detailed union demands), as well as the problem of economic stability. When we talk of economic stability, that opens up the problem of low prices, high rates of operation, high wages, good production, guaranteed employment, etc. The trade-union movement is a method of leverage in a free capitalistic society. It is fighting and struggling against the power forces of our society. That cannot result in "peace". Without its militant presence, many problems will remain unsolved.

The American trade-union movement has made progress in realizing its demands. It has made tremendous strides in advancing wages. It has been favored by a rich and resourceful country and a highly aggressive pioneering management which has again and again proven its ingenuity, resourcefulness and resilience in finding new ways of reducing costs. The trade-union movement has prodded management into a continuous series of concessions which lifted labor's standards.

The process has been costly and has engendered great social tensions and con-

flicts. Labor aspirations have not been understood fully by the American people; widespread approval has been slow in coming; gains have been granted grudgingly. The proportion of labor income to the national income has not significantly changed for very apparent reasons. Wage increases have been most abundantly secured in a rising price market. If prices have not as yet risen sufficiently to cover the cost of the increase, managements have not been backward in raising the price subsequent to the wage increase.

Management Resourceful and Resilient

This experience has implanted a firm faith among American trade-union leaders in the employer's ability to pay. Labor has embellished this faith and called it the "theory of dynamic cost." Management it argues, is resourceful and resilient. It always knows how to cut costs. It gets a new fount of resourcefulness and ideas whenever there is a wage increase. It is not strange that industrial engineers are not always equally successful in stimulating industrial progress. An engineer once said "I made this report and it would have saved this company X dollars and would have been the best thing for them to do. But they filed the report on their shelves. Why they acted after they gave you the increase, I shall never understand. But they only took the report off their shelves after you extracted that wage increase from them." This experience has reinforced labor's belief in the potency of the trade-union, as a means of making management manage well.

Collective Bargaining with Individual Employers and Companies

In effectuating its purposes, the trade-union operates within a defined institutional pattern. A union comes into being first by organizing workers in a given plant. Our laws, habits and business organization demand that you first organize the shop or the craft in the shop. If you don't organize that unit, you don't have a union. Some early forms of American trade-unionism did not recognize this consideration and passed out of existence.

The trade-union starts in the individual plant. The worker's first effort at real liberation comes by his joining or helping to form the plant or job union. Every employer knows that during the first year of a union contract, every worker feels that he is taking over the plant, for a very good reason. With union recognition, the worker for the first time feels: "I have rights; I have a place; I have a status; I can talk; I can protest; I can tell them that I don't like things." This union deals with the immediate difficulties and sore spots in that plant. They relate to wages, hours and working conditions. They are the first layer of activity which the union makes possible.

But the meaning of these matters is constantly broadened. The union becomes concerned with the most varied and intimate details with the consequence that it quickly requests the right to review many types of managerial decisions previously carefully guarded by the employer. Labor's interest in job assignment and pro-

duction standards brings it into headlong clash with managements which refuse to share the determination of these working conditions. The interests and activities of the union continuously grow.

Unions Will Tackle Any Problem

When unions go into these fields, they are accused of "trespassing" on management's prerogatives. In plant collective bargaining, the union and worker will constantly reach out toward the solution of any problem which stands in the way of getting better and better conditions. However, the union soon finds that many issues cannot be dealt with on the plant level.

Sometimes, as an intermediate step, a union reaches out and organizes all units of the same company. That broadens the scope of, and is a necessary sequence in, collective bargaining history. Without such complete organization of a single corporation, work can be switched from plant to plant; one plant can be played off against the other; unions may be weakened by the power which the employer may have over the single unorganized unit. However, it doesn't change the nature of the bargaining process, since the parties are still dealing with essentially the same problems as they were at the plant level. They cannot transcend the area of competency of the individual employer in a competitive society. The limitations of the plant or employer unit in collective bargaining are quite apparent to the trade-union.

Industry Collective Bargaining

Trade-unions are constantly pressing for the wider unit of industry collective bargaining which may assume many forms. It may be city-wide, area-wide or national; but the form is of secondary consequence. The crucial fact is that there is a move to an industry-wide level of collective bargaining.

Why does the union move toward industry-wide collective bargaining? It does so to eliminate or prevent favoritism and establish competitive parity; to facilitate the administration of collective bargaining agreements; and to establish the union standard. Every union in organizing workers must spell out the union standard; and there is no better way of establishing a standard than having one. The industry-wide collective bargaining agreement is good proof of a standard. It also generally helps to eliminate problems of union security and reinforces the union as the permanent agency.

Industry-wide collective bargaining minimizes the importance of the anti-union employer. It strengthens the constructive employer groups in the collective bargaining process. But more important in time is the fact that industry-wide collective bargaining places within the union's grasp a whole series of problems which it could not deal with when it was negotiating with the individual employer.

Rubber Industry

Very fortunately we have made a good deal of progress toward industry-wide collective bargaining. One of the most interesting examples is the recent nego-

tiations in the rubber industry. Industry-wide collective bargaining is a normal development in collective bargaining. It will be expedited by the creation of industry-wide employer associations to carry on such collective bargaining.

Steel Industry

There is a preliminary stage in the development from plant or company collective bargaining to industry collective bargaining that is typified by the steel industry. There is no industry-wide collective bargaining, as such, in steel. The U. S. Steel Corporation meets with the other steel companies in New York City and then sends its representatives to Washington to negotiate with the United Steel Workers of America. The agreement reached between them becomes the industry's pattern. That is not industry-wide collective bargaining. It does not enable the parties truly to consider industry-wide economic problems.

Woolen Industry

In the woolen industry, one company controls about one-quarter of the production, the American Woolen Company. Negotations with the industry, begins with a conference of about 170 woolen companies at which the union presents its proposals. The management's spokesman headed by the American Woolen Company, present their views. If no agreement is reached, the conference breaks up. There is no other industry-wide conference or agency to carry on. The union then negotiates directly with the American Woolen Company. The agreement reached with it becomes the standard. The rest of the industry follows suit by signing a similar agreement. This is a preliminary stage in the advance to industry-wide collective bargaining, to be followed by active continuous industry negotiations.

In any event, the major significance of industry-wide collective bargaining when it is finally realized, is that it permits the discussion and consideration of problems which cannot be handled at the plant level.

Interestingly the trade union leader concerned with industry-wide problems, or industry-wide collective bargaining, can more nearly approximate the economists' concept of the responsible leader than the one who negotiates at the plant level. The trade-unionists concerned with industry problems are interested in the effects of thir policies on prices, costs, employment and competition. They are driving toward uniform industry standards.

Their patterns must therefore consider the problems of the industry. The barrier which the industry's structure erects against the improvement of the workers' lot, becomes the leaders' special province. In their determination to deal with them, they broaden the scope of collective bargaining. Competitors must be uniformly dealt with if union control is to be effective. Through such industry-wide regulations, many sources of economic instability may be eliminated and constructive programs may be undertaken for the promotion of the industry. This emphasis on industry-wide issues have made many trade-union spokesmen the foremost authorities on their industry's problems.

Garment Industry

The apparel industry is a classic example of what can be done. The industry used to be chaotic. Each employer would say: "Well, I can't pay you decent wages because the other man is cutting prices and wages." The union then came in and said in effect: "From now on everybody is going to have the same labor cost; and from now on, no manufacturer is going to contract his goods out to a new contractor in the midst of the season." Such arrangements have created economic stability in this industry. Both management and the union have become concerned with the problem of increasing efficiency.

Coal

The coal industry is another case in point. The union, the United Mine Workers of America, saw to it in 1937 that the Government insured minimum prices to prevent chaotic competition in this industry.

Textiles

Trade-unions normally try to lift collective bargaining from the plant to the industry level. In a number of fields which have not yet established industry-wide collective bargaining, the unions have already enunciated the problems they will deal with when they get industry-wide collective bargaining. For example, in the textile industry the union is just begging for industry-wide collective bargaining, to deal with many problems which it cannot deal with effectively at the plant level.

In the textile business before the war, the selling agent made most of the profits because of its peculiar structural arrangements. The manufacturer contended that he was unable to improve wage standards; but the industry as a whole was profitable. This is a typical structural economic problem which the union wants to deal with by consolidating the selling agent with the manufacturer. After such integration, the industry can raise our wages substantially. Industry collective bargaining will address itself to the problem.

Automobiles

The automobile union wants to eliminate seasonality of employment. It is therefore necessary to advance the dates of the automobile shows. How are you going to control shows? The automobile manufacturers must be brought together to agree on this practice. This end was partially realized in 1934 by government coercion; it must be done now by industry collective bargaining.

Full Fashioned Hosiery

Another illustration may be selected from the full-fashioned hosiery industry where the union conceded a wage reduction on condition that employers modernize their equipment. In highly competitive local service industries, union organizations

have helped to stabilize conditions. This probably could not otherwise have been effectively achieved.

Lumber

One of the foremost plans of the lumber union is a reforestation program. But it can't address itself to the individual lumberman, the farmer who may have six or seven hundred acres of land devoted to forests. He can't do anything about it. The union, therefore, is interested in industry-wide collective bargaining so that it can tackle the reforestation problem realistically.

National Collective Bargaining

Individual plant negotiations restrict the unions' efforts with economic problems. Industry-wide collective bargaining opens up new horizons to correct arrangements which are unstabilizing working conditions and depriving workers of opportunities for advancement. But just as plantwide collective bargaining has limitations, so has industry-wide collective bargaining. You can't deal with most economic courses besetting the individual workers except by national collective bargaining.

The next great movement in this country is going to be national collective bargaining.

An important reason for developing national collective bargaining is that many agreements reached on an industry level may be negated by the general force of economic events. Lowering of prices through technological changes will have no effect on demand for a given product if competitive industries are similarly reducing prices. The question whether particular wage increases should and can be absorbed by the employer is of little moment when employers can readily, and with little or no restraint, pass these increased costs on to the consumer. Labor's insistence on industry working at full capacity and on calculating its costs in terms of full operation is not easily dealt with in the present channels for collective bargaining.

Experience with Informal National Bargaining

An informal approximation of national collective bargaining was experienced in 1938 when the steel industry set a national pattern of economic behavior. It reduced prices but agreed with the SWOC not to reduce wages. During the war, American unions also engaged in national collective bargaining with the aid of the Federal government. A wartime understanding was reached. With effective price control as a quid pro quo, labor accepted a freeze on general wage increases. The workers therefore became "economic statesmen."

When the war ended, it was thought that wage increases would be forthcoming; that profits would be kept down; that reconversion costs would be cushioned for industry by the carry-back tax provision. Labor hoped that industry would operate under the existing price structure. Deferred demand and a new supporting volume

of purchasing power generated by high wage incomes would insure continuous markets permitting high production, low unit costs, and ultimately larger profits. But management didn't play ball! It didn't accept this economic program deliberately promoted by government and organized labor. That was the significance of the General Motors strike. The workers and their leaders were determined to aid the government, the American people and themselves in enforcing this program.

But management refused to have anything to do with this program. It insisted upon scrapping the OPA and all other controls. It was determined to play the game the old way with little restraint despite the consequences which would follow.

One Effort Made to Establish Order

One effort was made to establish order, namely, the Labor-Management Conference of November, 1945. But it was bound to fail. It was called too late. Labor and employer positions were already firmly set. The differences were defined and crystallized. Management was determined upon breaking down some of the gains organized labor made during the war. Intra-union rivalries overcast the proceedings. Its purposes and scope was too narrow to interest many. Substantive issues were avoided.

But another effort must be made to establish a national conference as a basis for national collective bargaining. There is enough mutuality of interest and problems to make such a conference a first step in the development of a national mechanism for resolving economic tension.

The mode of collective bargaining is also changing rapidly. The negotiations with an individual employer no longer are significant and crucial. National patterns now determine collective bargaining relationships at the industry and local levels. It is therefore more than ever necessary to establish a national forum for collective bargaining. Without it, both sides must continue to spar until an acceptable national pattern is developed. Moreover, unions and employers in their individual effort to evolve national patterns are likely to create intense internal conflict similar to that recently experienced.

Another Should Be Made

There are many problems which such a national conference could immediately consider in preparation for an obvious problem which will arise at the beginning of 1947. Everybody is aware that the recent wage movement was only partially completed. Another wage increase is in the making at the end of the present contract year. Industry will be reporting unprecedentedly high earnings.

How shall labor share? How shall the increases in productivity currently arising be distributed? How shall labor get its permanent increase in the share of the national income? How shall labor share in the spectacular profits being earned in one or another phase of our economy? These are immediate problems

which will be answered fully or in part by the next wage movement. They will constitute the subject matter of the collective bargaining conferences to be held at the end of the year and the beginning of the following year.

Guidance of Individual Companies and Industries

The wage patterns for the wage movement of 1946 evolved in a few industries and provided the bench marks for other industries. Cannot an orderly process of collective bargaining on a national level formulate these patterns so that labor and industry in the individual industries and communities may be properly guided? A procedure for national collective bargaining is important to resolve national tension and conflict which are very serious in a highly integrated community. Our society demands use of bargaining power to effect a resolution of differences and to achieve a more balanced economic society.

Efforts to find solutions for our industrial unrest by considering each strike separately is doomed to failure. You cannot conceive of these strikes or threats of strikes as isolated and unrelated. They have their root in the same human yearning. They are bred by the same currents of thought. They are precipitated by the same momentum. They must be dealt with as a whole; as an integrated and single event. The solution of each individual strike frequently intensifies the struggle and the desires of other groups. The integrated consideration of this problem on a national level through the mechanism for national collective bargaining would furnish the most helpful avenue for the regularized solution of these issues.

This form of organization will open up the opportunities for handling many basic problems, such as sources of economic instability, which are now beyond the parties' grasp in plant and industrial collective bargaining.

Labor Presses for Joint Studies

To fail to establish or to delay the development of a procedure for national collective bargaining would strengthen the movement to have the government do the full job of effecting a stable progressive economy. Units do not want this to happen.

Trade-unionism has dominated the labor movement of this country in contrast to the developments in other countries because we have enjoyed constant economic progress. The demands of the trade-union movement have increased. Full annual employment has become a practical ideal. Industry has promised an approximation of it in the assurance of full employment. Organized labor is skeptical but tolerant. It is hoping that management will act to realize these assurances. They must not prove as empty as they have frequently been in the past.

It is for this reason that organized labor has appealed to industry to cooperate on the promotion of the annual wage. It presses for jointly sponsored studies of the problems and the techniques for stabilized employment. These must not fail, though they appear to be making little or no headway. The forthrightness with which industry meets this test will provide an index of its sincerity and determi-

nation to face the social challenges of our economy without governmental intervention.

Similar tests are appearing in numerous other parts of our economy. A system of private enterprise must answer them favorably or invite further governmental intervention. There must be vigorous and constructive private action, otherwise governmental action is the only alternative. The trade-union movement is ready to define the expectations, and assist private enterprise in providing the answers. Organized labor is ever-ready to become an active participant in the process of finding these answers through joint agencies.

What National Collective Bargaining Can Do

The full development of institutions for national collective bargaining furnishes the best avenue for a constructive solution of the problem of a private enterprise society. These new institutions require careful study of form, scope and procedure. Many questions will arise concerning the representation of other interests. But these are secondary to the great economic problems which beset our national society. These cannot be dealt with rationally unless there are national agreements on principles and policies. While the national forum for collective bargaining is lacking, there cannot be a consistent program or national principles.

The bargaining process is not now sufficiently narrowed or defined for the parties at the local level to be guided toward peaceful solutions of their problems. Hence the many small or even large labor disputes. Each is fearful of the precedents they might set for the group as a whole. The constructive approach is to arrange for national agencies. A long delay in achieving these ends will invite greater and greater governmental intervention and the restriction of the area of free enterprise—a most undesirable outcome from the viewpoints of management, labor and society as a whole.

ERRATUM

Through an error on the part of the printer, incorrect page numbers appeared on the Contents page of Vol. 25, No. 4, October, 1946. Please substitute the enclosed corrected Contents page.

"Perhaps We Must Slowly and Painstakingly Study and Understand the Industrial Organization Piecemeal Before We Will Be Able to Understand and Deal with the Major Issues that Confront Us Today" (Douglas McGregor, MIT.)

Professor *in* Error

A Review, By Charles S. Slocombe, *Editor.*

We were considerably disappointed in the first publication of the Yale Labor and Management Center, titled "Mutual Survival: The Goal of Unions and Management." Perhaps we should not have been, for we have for years been reading the published studies of University centers set up for the study of and dissemination of information concerning labor relations, and have derived small comfort from most of them. There was no reason to suppose that Yale would do better.

Mr. Bakke, the author of the Yale report, being distressed by the labor tensions of the past year, dug down into his expense account, and took a swing around the country in news-reporter fashion to see if he could find out why what was going on was going on.

Doomed to Perpetual Conflict?

He says in his book that he interviewed—off the record, sixty each—leaders in management and labor. His major conclusion was that management expects unions eventually to behave as management would like them to, and that unions hope that management will behave as unions would like them to. So, as these ideas, he thinks, don't fit together, one side or the other will have to give way, or they will smash each other up in their continual conflicts, and both finally be taken over by the government.

Bakke does not point out, as Laski does, that being taken over by the government, does not end the quarrel, but perpetuates it within the halls of Congress.

We object to Mr Bakke's conclusion on several grounds. First, we doubt its accuracy, though admitting its plausibility. It seems accurate as reflecting the views of some union men and some industrialists, perhaps the most pugnacious and talkative among them. But to set it up as a profound generalization covering all labor relations in this country is an obvious distortion of the truth.

What Came Out of the Pot-still

Second, we know nothing of its origin, except that Bakke trotted around the country button-holing whoever he could, and then, in the still watches of the night, put what he could remember of the conversations in a pot, and distilled off his conflict conclusion. Though Bakke has all the prestige of a big university behind him, we are unwilling to accept his word, on so slight and unexplained evidence.

Third, even if we were to accept Bakke's conclusion as accurate, it would still be only a penultimate generalization, distinctly harmful if used as a basis for union and industrial labor relations policies, and leading only to continual conflict. Whereas the truth lies rather in the ultimate generalization that the real interests of labor and management are identical—namely the well-being of the nation. Bakke did not boil his pot long enough, or he had the wrong ingredients in it, or he would have reached through to this fundamental.

Fourth, he disregards the fact that over by far the biggest area of American productive life, unionized or not, there is no conflict or sense of conflict for survival as he describes it.

Study Not Properly Designed

We suspect that the whole trouble lies in the fact that Bakke jumped into this study of Labor Relations today without properly thinking it out beforehand. All studies of human problems are very difficult. They are particularly difficult when, as in the labor relations situation today, the element of conflict is present. This means that a great deal of thought must be given to the design of the study, to realizing the difficulties to be encountered, how they may be overcome, what the chances are, in view of all the circumstances of arriving at any sound, useful or worthwhile conclusions, and in summation whether the circumstances make it advisable to make the study at all.

We suspect that had Bakke done this thinking beforehand, he would not have undertaken the project, but would have turned his thoughts to something that was within the realms of possibility to obtain a useful result, even if it were less ambitious. We admit it was a tempting subject, one which badly needs much study, but was obviously beyond the facilities or planning ability of the Yale Labor and Management Center.

Psychological Misconceptions of Economist

The first error was in assuming that if you talk to executives, whether management or union, you will get from them the unvarnished truth as to what they think, even if it is agreed beforehand that it is all "off the record". Even if the big shot thinks he is telling the truth, the whole truth and nothing but the truth, his whole experience is in the direction of withholding and distortion, partly as a protective measure, and partly because he wants to make a good impression on the interviewer.

After about five to ten years experience with an executive, labor or management,

you can learn to spot his omissions of statement, his distortions, the natural vanities which color his thoughts, and discount them all by knowing whether he recently attended an association meeting or went to church. To walk in on him cold, and expect to get anything resembling his real opinion of the national labor relations situation in one interview is absurd. This is not to say that management and labor executives deliberately lie or distort. They don't—they just do it unconsciously. Did Bakke know this?

Again, whatever the opinion expressed, it does not seem of much value unless its origin is known—that is, why it is held—and how constantly it is held. One executive, high in the councils of the National Association of Manufacturers once stated that he thought the CIO was allright, and American industry had nothing to fear from it. He had become frightened at the awful tales of what the bogey man (the unioneers) were going to do to him, when they got around to organizing his plant. When they did organize him, and he started negotiating with them he found them quite reasonable—much more so than the rump union who had been plaguing him before. Hence his, probably temporary, view of the CIO.

Another executive, who has so far warded off the CIO, is profoundly convinced that they are going to ruin the country, and that they will, if they ever get into his plant, involve him in a perpetual struggle for survival—just as Bakke thinks they will.

Views or opinions, which often appear as convictions, often vary according to the place and circumstances of their expression. An executive, sitting in his club, with a few cocktails and a good dinner under his belt will be much different from the same individual in his office on a late Friday afternoon after a worrying week. Did Bakke seek his interviews at stated times and places, where he might get the most unbiased viewpoints, or did he just pick them up when and where he could?

Institutional Behavior

An allied point is what the social psychologists call institutional behavior. If you ask a number of Methodists what they think the proper method of baptism is, right after they come home from church, where the parson has been expounding on the virtues of sprinkling as a method, and quoting chapter and verse on the authority for it, 80% will be very emphatic in saying that it is the only true method. Make a similar study of Baptists, and they will say the Methodists are all wet—or not wet enough—and will all go to Hell because they are not thoroughly dipped.

Call around and see the same people a week or so after, when the emotional stirring up has died down, and both Methodists and Baptists will admit that it doesn't matter much which way you do it.

This is institutional behavior. It is equally evident in labor relations. Talk to a management executive when he has just come from a trade association meeting or from a republican rally, and he will expound with much vigor and profanity about what unions are doing and going to do to this country, how the only thing to do

with them is to fight them to death, and if necessary enlist the services of the government to this end.

Take a union leader after one of their get-togethers, and he will hold the opposite views with equal vehemence.

Opinions of Men When "Het Up"

See either of them after they have had a chance to be themselves, and you get but a minor reaction of this character. Did Bakke take any precautions against this sort of thing? It almost seems at times that he took care to get opinions when the guys were most het up.

What precautions did Bakke take, or what checks did he have on the influence of the interviewer upon the results of the interview? All pollsters know that they can influence the results of their poll by the wording of their questions. The same goes for an interview. Within certain broad limits it is possible to get almost any view expressed by an executive interviewed. Even if the interviewer does not consciously attempt to do this, yet he cannot sit down with a man for half an hour or so, and fail to influence the outcome.

With all these variations and unknown influences at work on the man interviewed, there also cannot be left out of consideration the fact that one interviewer, such as Bakke of Yale, would probably get a different set of opinions from the same men than those obtained if they were interviewed by Slichter of Harvard, or Mary van Kleeck of the Russell Sage Foundation.

Reliability Unknown—Not Checked

These points are brought up to show that in developing his method of study Bakke did not, at least as indicated in his book, take the necessary precautions to see that his results had some chance of being reliable. We suspect that had he done so, he would have found that he could not get reliable results by his method—in fact that it was totally unsuited to the solution of the problem he had in hand.

On two other points his study was faulty.

His method was that of a reporter. If a reporter is assigned the job of finding out what people think of a certain matter, he puts on his hat and wanders out probably with the remark, "Well, so long boys. I've got to go out and find out what these lugs think." When he comes back he writes up his story, which must be newsy, if not sensational, as a report of what they said. Generally, if he is any good at his job, he has a healthy lack of respect for what they did say, because he knows from past experience, all the prejudices, chips-on-the-shoulder, vanities, desires-for-notoriety, or for publicity, etc. which help to determine what they say. And reporters find these in big shots as well as in little shots.

He certainly does not come back with some fundamental basic conclusion on a national problem. Apart from the fact that he has no inclination to do so, he knows full well that the material he has gathered does not warrant any such treat-

ment. (That is generally left to the paper's pundits, the editors, who never stir out of the office.)

Limitations of Reporting Technique

If Bakke wanted to do a reporting job, he should have sat around in a newspaper office for a while and found out how reporters work, and the limitations of the reporting technique.

Another error into which Bakke fell, after coming to an unwarranted conclusion from the material he had gathered, was to assume that the condition he thought he found was a permanent one, and set the pattern for labor relations in America from now till Doomsday. That was indeed assuming the mantle of omniscience.

In so far as Bakke's conflict conclusion is taken as sound then he is fomenting labor strife, because there would be not much else, on the face of it, for labor and management to do but to beat each other's brains out, and the sooner they start the sooner it will be over.

Many people think that we are in a period of post-war hysteria, and at least hope that we will work our way out of it sooner or later. Bakke seem to have gone out in the middle of the worst labor tension period in American history, and come back with the conviction that it would be permanent. To which the only sensible retort is "Baloney".

Sounds Like Karl Marx

In short, we do not believe that Bakke has produced any conclusive evidence that the basic fundamental of industrial relations in America is perpetual conflict, which can only be resolved by one side giving way to the other. The doctrine that capital and labor must always be in conflict, and that only by one side or the other absolutely smashing its opponent was, as far as we know, first promulgated by Karl Marx. This doctrine inspired the extremists who caused the revolutions in Russia and Germany. It is indeed surprising, in this day and age, to find the same doctrine being promulgated by a professor of Yale University.

We think therefore that the book should be withdrawn from circulation. It should not be allowed, at least, to fall into the hands of students, except those under the guidance of teachers who will point out its fallacies.

It is not for us to say in what manner Bakke could more profitably have spent his time, and the university's funds. If we had been in his place, and had collected the material he did, we should have taken a thorough look at it, and concluded that either there were an unsuspectedly large number of people in America who were crazy, or we were.

What Might Have Been Done

We should then have tucked it away where no one could get at it, and gone out and explored the areas in American industry and business where there was no basic

conflict, no sign of there ever having been any real amount, and where none appeared likely. We should have attempted to measure the size of this area, and the number of people involved. We should have examined by every *scientific* means at our disposal how these areas of non-conflict came to exist, how they might be protected against the encroachment of conflict—by which we do *not* mean how they could be protected against unionization—and sought to find from the lessons learnt how the areas of conflict might be reduced in size, and the intensity of the conflicts lessened. Only then should we have written a book.

Such a project would be determined by carrying through our thinking beyond what we have called Bakke's penultimate generalization, which led him into an erroneous conflict conclusion, to the ultimate generalization, namely that the interests of labor and capital, or unions and management, are identical, no matter what current appearances may be.

Advice Is Quick and Ineffective. Guidance Is in All Respects the Middle Way. Counseling Takes Time but Does the Job.

Advice, Guidance *and* Counseling

By William G. Shepherd, *Poughkeepsie, New York*

"You better go see Personnel, Tom."

"Y' mean 'Hirin' Firin' Hall', shoot off my mouth an' get canned?"

"Naw, Tom. You got it wrong. Maybe that's how it was in the other shops y' worked, but not here."

"Yeah? Ain't they all alike?"

"Naw, not here. It's like this, see? Y' go in—you know, where they talked to y' before y' come on, where they got all the record stuff. Y' say y' gotta problem, see? They say come on in an' sit down, 'Have a seat,' they say, nice an' friendly. Y' sit down in a good chair by the desk, the guy 'r lady yer talkin' to sits down by the front of the desk. 'Have a cigarette,' they say, so you take one an' light up. I always hold the match fer them. You know, they're friendly, I'm friendly, too.

Sit Back and Take It Easy

'My name's John Harris,' they say, 'what's your's?' So y' tell 'em. 'Well, Tom,' they say, 'just sit back an' take it easy. That's right, relax. You can be yourself in here. Now, tell me what's wrong.' See? That's the way they do it. Then y' just tell 'em you don't like yer foreman, an'—well, get it off yer chest."

"Aw, nuts, Gus. Yer dreamin' again. Whada they care, long as I get my work out? Besides, how do you know all that?"

"Gees! Ain't I been in there twice already? When Mary was sick I goes an' messes up the whole line for fifteen minutes. Do they can me? No, sir! They call me in, we have a gab. Before I leave I feel fine again. Next time, I goes in myself. That's when I gets afraid of my machine. Can y' imagine? Yessir, that thing had me buffaloed, see? All at once I'm scared to shove the leather in, for losin' a hand. Man alive! Well, this lady an' me have a talk. How do I feel about this, what do I think about that? Three times in a row I goes in, right after quittin'. I don't know how she done it, but I ain't never had no trouble like that since.

"G'wan in, Tom. Just tell 'em what's wrong an' I betcha a buck it'll help y' a lot."

So, Miss Personnel "lady", or Mr. Personnel "guy", they believe you know what to do to help them. *What* you do is quite liable to fall into one of the three categories: Advice, Guidance, or Counseling. This is a discussion of the differences, the relative values and vices of those three techniques.

Advice Is Easy to Give

Advice is the easiest, most popular, and least effective method.

Advice is easiest because it requires no real knowledge of Tom. You know the answers, so you lay them out. "The company policy is this." "The way to get along with your superiors is thus and so." Advice is the resort of the lazy "expert", the "authority". It needs no intimate insight into the functioning of the human. Completely untrained "personnel workers" can be handed a book of answers and sent in to carry on according to this method. The company which follows this policy, however, is stealing money out of its own pocket.

Advice is also easiest because it is quickest. You tell Tom and send him away. If employees come during working hours, you may think you are saving company time. But you are not, because, ninety-nine times out of a hundred, you have not advised Tom out of his problem. Actually, you are costing your firm double time, Tom's and your's, for both are wasted. Advice is easiest because it almost certainly guarantees the employee will not return. Unhelped on the first occasion, he is unlikely to seek aid in the same place again. So you have more opportunity to improve your record file and look to your "hirin' and 'firin'".

It Is Also A Fraud

This method is most popular for all the reasons indicated above. Anyone can do "personnel work" based on advice. The company can select bright young things from the line or the secretarial staff and make personnel people of them. It is the fastest means of "dealing" with situations and "eliminating" problems, hence it is "cheapest" and most "time saving". But it is, of course, a fraud, for it does not do its work.

Advice is most ineffective in industry for the same reason advice to the lovelorn or to potential suicides is: it doesn' touch *them*. First of all, a fact more than evident to every psychotherapist, the problem first presented (and "dealt" with by advice) is never *the* problem. The reason Tom doesn't get along with his foreman is pretty certainly a reason *inside* of Tom. This is always true except in the rare instances where no one gets along with that certain foreman. The adviser not only never gets down to the real reason, he doesn't even try, or, perhaps, he doesn't know there is a real reason and a real problem.

To him Tom is just another difficult person come to tax his time and talents, where in truth Tom is a man in trouble, whose difficulty is diminishing his own

efficiency and the efficiency of the whole plant, but whose problem *can* be solved by intelligent personnel work. The attitude which Tom is bound to manifest as a result of his confusion can quickly poison the attitudes and atmosphere of an entire department. Advising Tom is about like shooting a spit-ball at a battleship.

Guidance Is Some Improvement

Guidance is an improvement, as virtually any technique would be, over advice. Guidance, in fact, is the middle way in industrial relations, for it partakes both of the vices of advising and of the virtues of counseling without owning all of either. Where psychological principles can be completely absent in the technique of advice, in guidance they must be employed. The personnel person here first established rapport, then lets the employee tell his whole story. On the basis of the tale unfolded, the guidance expert determines, either by guess-work or by intuition, where the trouble, in his opinion, actually lies. He then proceeds to outline for the employee all or several of the possible ways he might solve his problem. The employee makes the decision as to which course he will follow.

The advantages of this method over that earlier described will be obvious to any officer. Here the critical selection of a solution is made by the seeker, himself, hence will have some likelihood of materialization. The universality of man's basic disturbances is such that a good percentage of the time the guess-work or intuitive estimate of the guide as to what constitutes the actual difficulty will be correct or nearly correct. This will depend, of course, on the guide's ability.

Guidance Takes More Time

Guidance does require somewhat more time than advising, but has a proportionately greater effectiveness. Guidance also demands some training, or else a phenomenally unusual natural aptitude on the part of the guide. Guidance deals, we may say successfully, with the immediate situation, but it does not penetrate the cause of the situation, the problem within the employee's personality which percipitated the situation. So guidance can offer no assurance that same or similar troubles will not again arise. By guidance the employee learns to live with his handicap, as it were. How much better, however, if he could be made free of his handicap! This liberation of the personality of the employee from a specific emotional handicap is what industrial counseling undertakes to do.

Counseling takes time and the intensive, devoted services of a thoroughly trained personnel worker. But it pays off in a truly changed employee, one who is a greatly increased asset to the shop, and whose allegiance to his employers will set an example to all his fellow workers and assure his development of a long and faithful record with the firm.

The counselor listens and considers, listens and asks simple, penetrating questions, listens until he has learned what deep conflict lies in the unconscious of his seeker. Then, by more wise questioning—never by "telling" him—the coun-

selor leads the employee to see the conflict which is the real problem and to understand how it has been manifested in the immediate trouble. Whether it is a problem of authority, childhood fears, libido fixation on an infantile level, anxiety grown from frustrated early drives, or whatever else, it is an axiom of modern counseling that when the employee can see it for himself, in himself, he thereupon becomes free from it to a considerable extent.

Not Psychoanalysis

This is not to say that the counselor performs a psychoanalysis upon the employee. Rather, he borrows from the psychotherapist a small part of his technique which is generally utilizable in industrial relations. Where professional therapy aims toward freeing the whole personality from its many unconscious tensions, industrial counseling strives to relieve that single tension which is depriving the employee of his full working capacity. Using this technique, the counselor succeeds in eliminating the *cause* of the present difficulty and at the same time preventing any future recurrence of the trouble. He produces a happier employee who knows he has been substantially helped.

In summary, then, the three methods of individual trouble shooting in industrial personnel work are: advice, which considers the surface crisis and dictates the solution; guidance, which considers the surface crisis, guesses at the cause, offers a number of possible solutions, and lets the employee make the deciding choice; and counseling, which goes to the underlying cause, the real crisis, and leads the employee to an emancipating understanding of his trouble. Advice is quick and ineffective. Guidance is, in all respects, the middle way. Counseling takes time but does the job.

There Is Widespread Misapplication of Statistics in Industry, Especially with Respect to the Deviation Between the Rigorous Theoretical Conditions upon Which They Are Predicated and the Actual Conditions Met.

Statistics *on* The Grill

By Herbert G. Heneman, Jr., *University of Minnesota, Minneapolis, Minn.*

In the *Personnel Journal*, September, 1945, I wrote of the need for proper perspective of the industrial personnel function and verification of results at the operating level. In that article, it was suggested that the tools of verification were simple arithmetic, statistics, and cost accounting. Since the role of statistics is comparatively well known in personnel research and cost accounting is less well known, the article dealt chiefly with the latter tool. It should be noted that thoughout the article the basic assumption was that the primary aim of the personnel function is decreased unit labor costs. On the basis of this assumption, it was contended that cost accounting often provides a better means of measurement of results in personnel work than arithmetic or statistics.

Rebuttal of Stewart and Bolanovich

In the February, 1946 issue of the *Personnel Journal*, Mr. D. A. Stewart and Mr. D. J. Bolanovich had an article, "Personnel Work on the Grill", which presented an excellent treatment of the role of statistics in personnel evaluation and criticized the viewpoint that cost accounting is the definitive tool in personnel evaluation. This article is in a sense a brief rebuttal of the contentions of Stewart and Bolanovich with respect to cost accounting.

Their contentions with respect to the value of cost accounting versus statistics as a tool of evaluation were as follows:

> "The understanding of (personnel) records is accomplished through statistical analysis. Arithmetic and even cost accounting can be uneconomical, and can result in erroneous and misleading conclusions; whereas statistical treatment of data save unproductive effort, point up appropriate interpretations to be made from records, and define the amount of confidence that can be placed in arithmetic and cost accounting figures."

With respect to evaluation, they contend that:

> "On the surface it seems that such evaluations are largely accomplished by good cost accounting as Mr. Heneman pointed out. This is not entirely true. The cost accounting can be no more reliable than the arithmetic figures given the cost accountant. Neither the best arithmetic measures nor the best techniques of cost accounting give an adequate picture. The application of statistical figures gives them significance."

Desirability of Cost Accounting

These contentions warrant serious consideration, for if they are sustained, personnel workers should be hesitant indeed in accepting cost accounting as a yardstick for evaluating personnel practice. However, wholly apart from any current deficiencies in cost accounting as a tool, it would seem highly desirable to use cost accounting as a yardstick. This is especially true if it be granted that the actual performance of personnel functions is largely in the hands of the operating executives including foremen. In other words, the staff activities, such as personnel, should produce results in terms most useful to the line executives who currently make widespread use of cost accounting in all phases of general management, with the exception of the personnel function. Thus, if cost accounting is accepted as an adequate measuring device for functions other than personnel, it would seem that the personnel department should bridge the remaining major gap in business evaluation and supply general management with functional cost appraisals of personnel work.

Is Cost Accounting Adequate?

As long as private business operates on the profit system, accounting will provide the definitive measurement of results. If cost accounting can be "unreliable" . . . "erroneous and misleading" when used to appraise the personnel function, as Stewart and Bolanovich contend, there is little reason to believe that it would not possess the same undesirable attributes when applied as the criterion of results in other management functions. Further, such statements as, "The cost accounting can be no more reliable than the arithmetic figures given the cost accountant. . . . The application of statistical figures gives them significance", contain questionable implications. If the above statements are intended to imply that statistical manipulation can compensate for faulty collection of data, such a position is untenable. Neither statistics, cost accounting, nor any known manipulative device will make faulty data accurate, nor is prediction and control in such cases improved by a spurious superstructure of balance sheets or statistical formulae.

As a matter of fact, the application of statistical techniques in personnel work leaves much to be desired. All too frequently, statistical personnel research utilizes formulas and techniques based upon rigorous assumptions and conditions not met in actual practice. In some cases such deviations do not vitiate the results for all practical purposes. But all too seldom in personnel statistical research is the

question asked, "Do the actual conditions found in this survey closely approximate the conditions upon which these statistical techniques are based?" Instead, the problem is overlooked, ignored, or conceded without evaluation of premises. It is obvious that in the practical operating situation aesthetic refinements in technique are illogical.

But the line between meeting and not meeting the experimental conditions must be drawn someplace, and extensive examination of the literature reveals that little, if any, attention has been devoted to this problem.

In fact, it should be noted that textbooks and articles dealing with the use of statistics in personnel work typically demonstrate not only the application of statistical tools in the evaluating function where they are applicable, but in many other functions where statistical tools are not as appropriate; for some personnel functions (illustrated later in this discussion) the question of evaluation is blandly ignored.

Spurious Accuracy

In short, all too often statistical personnel research lends an air of spurious accuracy to faulty predictions. Should this trend continue on any large scale, the role of statistics in personnel might well deteriorate into the same dubious position as the old glad-handing personnel managers and the post-World War I "efficiency experts".

Perhaps a few illustrations might be revealing. Wages and hours data are frequently evaluated using techniques based upon normal distributions. Cursory inspection of wages and hours data reveals, however, that multimodality and discontinuity are the rule rather than the exception with such data. Wages commonly progress at five-cent intervals; hours change commonly in units of four hours. In addition, in grouped data, items are distributed irregularly within the class intervals. Another factor, skewness, is often overlooked. For example, the selection process may result in eliminating typists who type less than 40 words a minute. This cuts off the tail of the normal distribution with respect to typing speeds, but it is important that such action may affect the normality of the distribution with respect to other characteristics.

Design of Experiments

In general, such illustrations are intended to imply that too little attention is paid to the design of experiments in personnel research. This is especially true with respect to sampling studies which comprise the bulk of personnel studies.

For an excellent discussion of this point, see McNemar Quinn, "Sampling in Psychological Research", *Psychological Bulletin*, Vol. 37, No. 6, June, 1940, pp. 331–365. This article contains a very good bibliography in the field of sampling that would be of interest to all personnel statisticians.

Thus, for example, attention may be directed toward the effects of size of sample upon the degree of confidence when equal attention might well be devoted to the possibilities of narrowing the confidence limits through alternate methods of drawing the sample. No statistical formulas can adequately determine reliability unless the drawing of the units is done in such a way as to avoid bias, (i.e., each unit should have only one chance of being drawn, no unit should be replaced or substituted, and units should be independent).

The design of the experiment is also important with respect to plans for holding certain variables constant experimentally; e.g., use of partial correlation. In such cases, there is always danger, of course, in holding the wrong factors constant, too many factors constant, and the like. Finally, with regard to sampling, each personnel study is but one of a series of samples in time. In the dynamic personnel milieu, the experimental conditions are largely beyond control, subject to great fluctuation and, hence, prediction on the basis of statistical analysis could be hazardous.

Uncritical Use Unsound

Most of the above discussion would apply equally well to the use of cost accounting. The nub of the matter is that the uncritical use of either tool, statistics or cost accounting, will not automatically yield accurate prediction and control. The most important factor in personnel research is unquestionably logical judgment supplemented by as many devices and techniques as can be brought to bear upon the problem at hand in an attempt to increase the objectivity of the evaluation process. Thus, there is need of developing as many tools as possible to reinforce judgment, and for some purposes it would seem that cost accounting could play a singular and vital role. Three types of cases will be used to illustrate this point.

First, with regard to personnel research in small firms or departments, the size of the sample is so small that it is questionable if available sampling analysis techniques are adequate. Or, if they are used, the confidence limits are often so wide as to preclude effective action. In the business world where judgments *must* be made, it is not enough to say that the statistical tools are inadequate. Some means must be found to make judgments as to possible courses of action more objective. In such a situation, cost accounting, while not infallible, may prove more valuable as a basis for objective evaluation than the use of purely subjective estimates. In other words, the research worker selects from among the tools available the one best suited to the particular situation, like a golfer choosing a niblick when in a sand trap. It is suggested that where the number of individuals under observation is small, cost accounting may be the most effective tool.

Inconclusive Answer

The second case involves the situation wherein statistical study gives an inconclusive answer. For example, it is shown there there are differences in average

production between employees who have completed a training course and those who have not taken the course. But the difference between the two means is not statistically significant. The statistician can truthfully say that the difference may have arisen through the operation of chance factors and imply that no action should be based on such results. But the line executive must take action. He cannot fall back upon an air of academic detachment. In such a case, cost analysis might be of aid in reaching a course of action.

It is conceded that were the experiment repeated the cost figures might change, even if all conditions surrounding the experiment remained unchanged. Actually, such conditions hardly ever remain the same and, hence, even statistical analysis could not provide definitive prediction. In such cases, it is also suggested that cost figures provide a clue to the proper course of action—that cost analysis provides an additional objective means of evaluation.

Where Statistical Analysis Not Proper Tool

The third case where cost accounting might play a useful role in the research worker's tool kit is the case where statistical analysis is not a proper tool to use. The following case is intended to illustrate such a situation. A large midwestern publishing company was about to enter a seasonal decline in volume of production in certain departments. The workers in the affected departments got together and appointed a spokesman to make the following proposition to the personnel manager.

> "We know that there won't be enough work to go around for awhile and that some of us might get canned. We've talked it over, and here's what we propose. We'll all take turns laying off so that those remaining can work full time. In this way we'll share the available work and all of us will still have our jobs when business picks up again."

The personnel manager was delighted to agree to this suggestion, since it apparently solved a rather awkward and unpleasant lay-off problem. But he overlooked the cost situation. In his discussion with the employees, the personnel manager overlooked the fact that the plant was located in a state having a merit rating unemployment compensation statute; when the employees applied for and obtained unemployment compensation, he made the unpleasant discovery that his contribution rate increased substantially on his *entire* payroll, resulting in considerable expense to his firm and much explaining to top management. It is difficult to see what statistical tools would have been applicable in such a situation, whereas cost factors were of considerable importance.

Personnel Should Evaluate Own Performance

The uses of cost accounting in personnel evaluation are not confined to the situations presented above. They run the gamut of personnel functions, both line and staff. For example, it would seem very important that the personnel department make periodic cost evaluations of its own performance to demonstrate the worth of

the department to top management. While such studies are beyond the scope of this article, it is becoming of increasing importance that personnel departments provide justification for their existence. Here again, cost studies would be most valuable.

Stewart and Bolanovich summarized their concept of the evaluation process as follows: "(1) Arithmetic figures summarize personnel records and give the basis for evaluation; (2) statistics give meaning to the arithmetic figures, and (3) cost accounting converts the figures and interpretation into dollars and cents."

Thus, their concept would make it appear that despite its alleged limitations, there is a place for cost accounting in the evaluation process, and that it stands in a *complementary* relationship to this process. Their analysis is acceptable in some situations. It has been contended in this article that there are other situations in which the tools cannot be combined in such a fashion and, hence, cost accounting must also be used as a *supplementary* tool, and in some cases an *independent* tool of evaluation. In other words, the personnel field is so extensive and so complex that no one tool or rigid combination of tools can be expected to encompass all situations.

Summary

Evaluation of results in personnel research should be accomplished in the most objective manner possible, supplementing logical analysis and judgment with investigations using the best tools available. In a previous article in this journal, three tools were suggested in increasing order of importance, viz. arithmetic, statistics, and cost accounting. A subsequent article by Stewart and Bolanovich criticized the use of cost accounting as a primary tool, on the grounds that cost accounting could be unproductive, erroneous, and misleading, whereas statistics (by implication) was not similarly deficient.

In the present article it has been contended that uncritical use of any of the tools of personnel research, including statistics, can lead to faulty prediction and control. Further, it was argued that there is widespread misapplication of statistical tools in industry, especially with respect to the deviation between the rigorous theoretical conditions upon which they are predicated and the actual design of personnel experiments. It was noted that statistical techniques were not desirable in evaluating certain situations and in other cases, the statistical inquiry might not reveal significant differences between groups. In such cases, the research worker might use the tool of cost accounting in an attempt to reinforce his judgments with as many objective means as possible.

Evaluation of Contribution to Profits

Finally, it was contended that: (1) The prime evaluation of business practice is profits, (2) the job of the personnel director is to assist line executives in decreasing unit labor costs; (3) the personnel functions are largely performed by line executives; (4) executives measure results of non-personnel functions chiefly through

the medium of cost accounting. If these contentions are accepted, then there would seem to be considerable reason for accepting cost accounting as a primary tool in evaluating the results of personnel work.

Finally, the personnel field is so extensive and so complex that no one tool or rigid combination of tools can be relied upon to supplement the personnel man's judgment in all situations. Therefore, since cost accounting provides better measures than other personnel tools in certain situations, it should be considered an integral part of the personnel evaluation tool kit.

The Method of the Slight Periodic Raise in Pay, the Friendly Slap on the Back, and Other Time-honored Ways of Handling Salaried Employees Seem Not Enough.

Salaried Employees—A Case Study

By Robert B. Eckles, *Purdue University, Lafayette, Ind.*

Post-war unrest among workers generally has turned the attention of employers to the unrest of the salaried groups in industry. What the salaried groups want naturally varies with region, type of work, and company policies; but the ideas of one thousand salaried workers of all grades and types may serve as a general indication of what the post-war worker on the salary payroll expects from management.

Questionnaires, interviews, and written complaints coming from approximately 1,000 employees of an Indianapolis firm show that the salaried workers' broad demands of management can be classified under three general headings:

(1) The first demand is that the pay scale shall be better adjusted to living costs.

(2) War training programs should be continued by management for the mutual interest of both employer and worker.

(3) The worker must have a better method of communicating with management either through organized groups or unions, or through trained personnel men especially appointed to help the worker make his wishes known.

Want Maintainance of War Standards

The routine clerical worker in the post-war period demands a salary that will support a standard of living attained during comparatively prosperous war years. He will be dissatisfied and become a bad worker unless the standard of living he believes should be his can be met by his salary. He will judge the adequacy of his pay by its buying power and will be less inclined to listen to stories of mere percentage increase, should management try explanations of why pay increases are not in proportion to those given other groups.

This attitude is borne out by the high percentage—80%—of the stenographers and sales division clerical help who indicated that the war-time standard of living

must be maintained. They were close observers of the gains made by the wage earners. Their reasoning was that an improved standard of living for wage earners would bring a similar improvement for themselves.

Management Will Be Judged Severely

The engineers and other similar highly trained workers will demand salaries adjusted to competitors' scales of pay as never before. This group is very conscious of the need for its collective skills. Shifting of jobs, moving from war plant to war plant, and salary information made more available through trade journals and employment services has given this group a new picture of its vital importance to management. At least 40% of the skilled salaried workers stating an opinion were emphatic in their assertion that henceforward they would judge their management very severely by salaries paid for similar work elsewhere.

Both groups of salaried workers wanted to see the management conduct periodic job surveys in order to account for changing job requirements and, therefore, new pay scales. They were also anxious to see these job surveys adjusted to the actual increased living costs of their community. Any pay scale set up only on job survey bases and neglecting living costs would be entirely unsatisfactory. "Why take a job that could not meet expenses?" they said.

The second area of the salaried workers' interest was that created by the extensive job training program of war industries. With very few exceptions the workers liked the training within industry programs. Most said that for the first time they were given an understanding of not only their job and new paths for advancement in related fields but that they found a new interest in the job that management was trying to do. So strong was the desire for further education that some stated that they would form a group to continue studies even though management might not be interested in helping them.

Provided New Roads for Advancement

It is apparent that the training within industry program excited the interest of the employee as few things had before. It made him conscious of new roads for personal and professional advancement. It would be a catastrophy should management generally fail to take this opportunity to train for leadership within ranks and to develop a more efficient organization.

Of the three general demand areas the one about which the salaried workers showed greatest concern was in their demands for better ways to make their wishes known, with satisfactory results, to management. Almost all of the salaried employees felt that they, both as individuals and as a group, had not been given sufficient attention by their superiors.

This failure on the part of the bosses should be remedied by such procedures as more frequent interviews, better relations with the personnel department, more job analyses and finally some way should be found for the airing of grievances without

danger of prejudice to the individual. The often-times vehement dissatisfaction that was expressed concerning the handling of personal problems by management and general grievances demonstrated that in this area management should devise new methods and procedures if efficiency in operation is to be maintained.

Organization as Last Resort

The salaried personnel was not in favor, generally, of an office workers' union. The union, in their opinion, prevented advancement and stood in the way of individual recognition. However a grudging admission came from at least 40% that should all else fail some sort of plant organization could be formed with the object of presenting group and individual problems to management in a forceful manner.

One way to help in settling this problem, suggested by many, was the appointment of a competent official who should devote his entire time to them. This official should act in a general liaison capacity between management and the employee. He should possess the confidence of both management and the worker and have the authority to bring to management a solution of the problem and carry it out. At least 70% of the workers believed that such an official could represent them and forestall any question of a union.

Slap on the Back Resented

The methods of the slight periodic raise in pay, the friendly slap on the back, and other time-honored ways of handling the salaried employee seemed not to be enough. The higher officials of management, said many, should take personnel training along with the lower cadres of supervisors. Certainly dissatisfaction was sufficiently expressed that it was clear that the salaried worker felt he had been neglected and pushed aside.

It would seem advisable, if those group opinions are representative, for management to consider generally the desires of the salaried groups in respect to the adjustment of the pay scale to living costs, continued job training, and reforms in maintaining good personal relationships with these workers.

Book Reviews

Book Review Editor, Mr. Everett Van Every
California Personnel Management Association, San Francisco 2, Cal.

THE EXECUTIVE IN ACTION

By Marshall Edward Dimock. New York. Harper & Bros., 1945. 276 pp. $3.00

This book is good reading for executives. It is challenging and inspirational; at the same time it is a book you can read with speed and profit.

The author has succeeded in presenting his ideas of how executives in an organization should function. He draws heavily on his own experience in the War Shipping Administration, but does it without ego and bureaucratic rules and regulations. No matter how practical an operating executive you may be, you will find much you can put to daily use in Dimock's book.

The publishers contend that it is the first book to go into an extended analysis of the day to day work of the top-exectutive. This is probably true since the author does give us a running account of what executives encounter and how they overcome their obstacles. It is not a text book, but rather a personal account of what goes into the making of a successful executive. Dimock combines an interesting and unusual work experience with an organizational philosophy that only comes from a rare blend of administrative talents and human understanding.

If the reader is an operating executive he will recognize the author's knack of ferreting out the real tests of leadership, and especially his manner in emphasizing the operating approach in discussing strategy, functions and techniques of management.

Dimock believes that an organization has life and vitality only when all of its employees are infused with the desire to increase effectiveness and productivity.

JOB PLACEMENT OF THE PHYSICALLY HANDICAPPED

By Clark D. Bridges. San Francisco & New York. McGraw-Hill Book Company. 1946. 329 pp. $3.50

This is not a trivial book for the social service worker; neither is it a text on the virtues of using the crippled worker. It is without question one of the most important personnel books of our time.

Bridges has given industry a source of information available in no other form . . . an extremely valuable reference guide to physical impairments and work related factors. Every job analyst should study this book. Throughout the book it is readily recognized that the author has made good use of sound personnel principles.

This is not a treatise on veteran rehabilitation, although disabled veteran cases

probably make this subject more important. The general results of subjects mentioned indicate that when properly selected, trained and placed, the handicapped workman is likely to excel his ablebodied fellow workmen.

Part IV is an excellent outline for job analysis, presenting actual check lists and selected forms. Much space is devoted to terminology used in job appraisal. Part VI treats of specific disabilities, describing hundreds of common disabilities and impairments together with the related job factors that must be weighed in determining the employee's capacity to perform a given job.

The author refers to the coming field of industrial hygienists that we will probably hear a great deal more about in the next five or ten years. Put this book on your list. Someone in every personnel department, no matter what your business, should be informed on the subject treated in this book.

PLANNING & PREPARING OFFICE MANUALS

Report Number 128. Compiled and Edited By The Dartnell Corporation, Chicago, Illinois. 1945. 100 pp. Loose-leaf. $5.00

Most companies have at one time or another recognized the need for standardized written instructions for office procedure. Small offices may escape the realization and appreciation of how valuable such a collection of established practice can become to a busy clerical staff, but as the work-week becomes shorter and salary-increases focus attention on the operating budget, systematic office procedure takes on a new importance.

The study is an interesting array of sample text material taken from large and small firm manuals. Office managers who are personnel-minded will be particularly interested in this employee manual for standardizing personnel procedures in the office.

The Dartnell staff has done a good job of collecting various forms, compiling related data and assembling company experiences in this field. Some of the samples presented are primarily concerned with inducting the new employee, others are standard reference sources for department rules and regulation, still others run the gamut of job instruction. The office manual as an induction medium is given considerable attention with typical examples of contents and subject treatment.

Check lists for planning and producing the manual are valuable aids to anyone planning the production of such a job and the editors have included many helpful suggestions. The reproduction of actual pages and outlines of successfully produced office manuals are a worthy contribution to the study.

WHAT PRICE SUPERVISION

By R. D. Bundy. Deep River, Conn. National Foremen's Institute, Inc. 1946. 48 pp. $2.00

The gap between high-sounding theory and outmoded practice in dealing with management's key problem comes in for some pretty frank analysis in this book.

The author's primary contention is that the price of high grade supervision is insignificant in comparison to the high cost of its absence.

The book is intended to tell management how to build a stronger supervisory force But supervision is not confined to foremen alone. It extends through all executive levels from top to bottom and the author attacks typical supervisory faults with constructive suggestions for building a definite company program of strong supervision that can withstand the cost-conscious era ahead.

In conclusion the author holds that management, especially the executive officer, should be predominately personnel conscious—and he makes a good case of how and why this objective should be gained.

The book is not a heavy bit of business literature, but contains some very helpful policy suggestions.

ARBITRATION OF LABOR DISPUTES

By Clarence M. Updegraff and Whitley P. McCoy. Chicago, Ill. Commerce Clearing House. 1946. 291 pp. $3.75

Today's industrial strife is placing a new importance on a better understanding of arbitration. It is becoming more apparent each day that arbitration is no longer government strategy or a legal phase—but a realistic method of reaching agreement that is peculiarly adaptable to labor disputes. Legislation affecting union-management relations can be expected to give more and more attention to the importance of getting disputes settled quickly and amicably.

What arbitration is, how it works, who arbitrates, how he is selected, how the arbitrator works, how he frequently fails, procedure, awards, contract clauses, and hundreds of pertinent topics, affecting all phases, step by step, are carefully presented for the professional worker or the layman.

Quick and dependable answers are given to such questions as: What powers has an arbitrator? When is an arbitration award void? How to make an award "stick"? How are arbitrators selected? What are requirements of proof? How do arbitrators reach a decision? How should a hearing be conducted? When must legal precedent be considered? When are lawyers helpful?

This book might be called a description of labor arbitration as it is practiced rather than an exhaustive text on precedent, statutes and court decisions.

It is a valuable aid to personnel managers, business agents, labor lawyers and all executives concerned with industrial relations.

THE PERSONNEL PROGRAM OF JACK & HEINTZ

By Roswell Ward. New York. Harper & Bros. 146 pp. $2.00

Here is one of the most exciting records of modern management. The title of the book is modestly referred to as the "personnel program" of two of American business' most colorful figures, yet actually it is the overall management policy of

these two men—a story that rings true with a surprising revelation of facts and figures.

Fundamental in Bill Jack's philosophy is the 3-fold basic policy that objectives of management and labor can be and are identical, there must be equitable sharing of the rewards of work well done, and likewise a coordinate sharing of the risks of bad business conditions. This is a departure from traditional management thinking. At this point the author of the book adds his own opinion and says he believes that American industry is really not so resistant to new ideas in industrial relations as that certain types of executives are resistant to the concept that there can be new ideas within the traditional enterprise system.

Jack contends that in industry today, particularly in the precision industry, but actually in all industry, workers are far more interested in what is going on and far more capable of making judgments in regard to a wide range of policies and problems than in the past. He considers it no threat to private enterprise when it is realized that democracy cannot be left at the factory gates—that good citizens in a political democracy cannot spend eight hours a day in an industrial autocracy.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

(President and Treasurer, CHARLES S. SLOCOMBE. Secretary, J. SLOCOMBE)

Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 25 *Number 6*

Contents for December 1946

CHARLES S. SLOCOMBE, *Managing Editor*

J. SLOCOMBE, *Circulation Manager*

This is a Comprehensive Treatment of This Subject. The Editor Feels that Some Aspects of the Problem Have Not Been Sufficiently Emphasized by the Author and Has Inserted Editorial Comments for Which the Author is Not Responsible. (Shown in Italics.)

How *to* Communicate *with* Employees

By King MacRury, McKinsey & Co., New York, N. Y.

"You fellows don't stand a chance of getting the loyalty or support that we do from workmen. You're too far apart from them—we know them and we talk to them."

The president of a local union was talking to the president of a small Atlantic Coast company. The question raised is one to which this executive and most others are now seeking a solution.

Many leaders in the field of management attribute a large part of the 85,000,000 man-days lost through strikes in the first six months of 1946 to lack of effective communication with workers. Recognition of the importance of better methods has been much more marked in recent months.

Need for New Approach

Yet, some executives are interested in communication only as a means of reducing the tendency toward unionism or affecting the union's hold on employees. Those who have been successful in setting up effective plans for transmitting information say that such an objective is totally wrong. Communication cannot be relied upon to affect the attitudes and ideas of workers very quickly. A ready flow of information to employees does decrease the need of employees to seek uninformed sources for obtaining answers to their questions. But reliance on the veracity of company information is not spontaneous.

A survey made of the opinions and administrative practices of the executives of twenty-one companies indicates that wider use has recently been made of familiar means for distributing data regarding company policies and procedures. Even more significant, however, are the new interpretations and approaches to the problem.

Understanding based on a free interchange of information is essential to operative efficiency, and serves management by increasing production. At the same time it raises the workers' morale and gives greater job satisfaction. But to achieve such results it is necessary for management to devise the means of promoting better understanding. This action often requires that sweeping changes be made in old established management practices.

The older methods, many of which are still necessary, and used include; employee handbooks to facilitate orientation, grievance committees to handle complaints, and "exit interviews" to try to find out causes of dissatisfaction on the part of workers. All have definite value, but much more is required today. The problems and principles related to newer concepts are described in the following pages.

Status of Foremen Affected

A company's plan of organization, in denoting lines of authority, indicates channels through which information should be conveyed to workers. Hence, effectiveness of communications depends upon the clarity of organization. In some companies information is passed around without regard to subdivisions in the organization; in others, communication between management and employees is achieved most readily and satisfactorily through foremen and supervisors.

For this reason the need for more exact clarification of the foremen's status is imperative. Executives generally consider foremen a part of management; in actual practice, however, this is not always accurate. Dictionaries define "foreman" as "the chief workman in a gang or crew; the person in authority over a group of workmen; specifically, one in charge of a room, department, etc." The degree of responsibility placed on foremen varies from company to company, and such a definition falls far short of indicating the type of duties and responsibilities vested in many foremen by modern industry. The concept of foremen as "chief workmen" in a group is being altered as more emphasis is placed on the human relations or management aspects of the foremen's job.

Foremen as a Part of Management

Whether or not foremen actually are a part of management depends on top management's concept of the duties and responsibilities of foremen. This is usually reflected in the part played by foremen in policy determination, in the company information which they receive, and in the criteria used in foreman selection.

Several tests may be applied to determine whether or not foremen are actually a part of management:

1. Have foremen complete responsibility for work schedules, layout of work, control of overtime, vacations, etc., of the personnel in their charge?
2. Is there a significant pay differential between foremen and the highest paid wage earner in their departments? (Some companies now compute foremen's salaries by adding to the normal weekly take-home wage of the highest paid worker a sum equal in amount to the overtime which the foreman would take in if he were subject to overtime payments.)
3. Is 50 per cent to 80 per cent of the foreman's time spent on management work?
4. Do foremen enjoy special privileges, such as greater security, in excess of those given to wage earners?
5. Do foremen have a voice in company policies and do they have an influence on collective bargaining and union contract negotiations?
6. Do foremen have access to confidential records dealing with company business and personnel?
7. Do foremen have good and well-defined steps for advancement?
8. Do foremen have ready access to their superiors at any or all times on subjects related to job matters?
9. Do foremen have a clear definition of their duties and responsibilities?

Another point sometimes included is that of authority for hiring and firing. This factor is debatable, however, and it is rapidly being excluded as a criterion for judgment as to whether or not foremen are a part of management. In the matter of employment, the present tendency is to permit a foreman greater authority within his department. This jurisdiction does not extend to hiring and firing from the company as a whole, however, and in practice merely amounts to transfers of personnel from one department to another. Even in such cases, an increasing number of companies now require a review of each individual case by the Industrial Relations Department, which acts in the capacity of a third person or as a judicial staff branch of the company.

(Summing up this section, it is obvious that what is needed as a base step is a thorough job description of what each foreman does, and what he is supposed to do: there is quite a difference. Editor.)

Jobs to be Redefined

The ramifications of the idea of the foreman being the primary source of information for employees are far-reaching and have posed different problems of adaptation in different companies. International Harvester provides an example of a thorough attack on this problem, resulting in changes in this company from one end of the employment picture to the other.

In establishing foremen as a part of management, it has been necessary for International Harvester to redefine jobs, change selection standards for new foremen, and generally to fit them into the organization plan. The concept that "a good foreman manages his men, not his machines" meets with the general standard of progressive companies where the foreman's job is described as consisting of 85 per cent work in human relations, 10 per cent in administration and 5 per cent in technical activities.

Consistent with this idea, it was necessary to establish new criteria as foremen-selection standards in order to give proper emphasis to new factors. Evaluations were made of the general make-up of foremen who fulfilled the new requirements, and from the results of these experiments physiological and psychological tests were formulated. Tests directed at uncovering "the good production man and mechanic who has a long record of service" now are being replaced by tests of interest, mental ability, social and mechanical aptitude.

Some companies have found men loath to accept their new place as a part of management. They are afraid of provoking the union steward or employee representatives. The reason often given is that foremen, feeling insecure in their positions, try to burn no bridges between their status and that of the wage earner. They feel that they may be demoted for any of a number of reasons and their future position will be untenable if their management status is made too clear to the workers. International Harvester has established a policy against demotion of foremen, in order to eliminate this feeling.

New Concepts in Foremen Training

At this time the major problem in effecting changes in the duties and responsibilities of foremen lies in dealing with a group already enjoying foremen status. Enlargement of the foremen group during expanded wartime operations has made available many more foremen than foremen's jobs. Whether these men have been demoted temporarily or are being retained pending the assignment of new responsibilities, most companies are prepared to absorb this group before any new promotions are made. So, although from a long-term point of view new selection standards for foremen probably will have the greatest effect and are of great importance, the immediate problem in many companies is to retrain existing foremen.

Fenn College in Cleveland, Ohio, has had considerable success in setting up basic standards for educating foremen. By formulating a program of general study relating to foremanship, business administration and company organization, Fenn College has made it possible for an educational institution to provide training courses for foremen. Matters relating to specific company practices or policies are left to the training departments of each company. However, outlines for such continuation courses are prepared in order to indicate the kind of material needed.

In the case of human relations, for example, approximately 50 per cent of the

subject matter was covered by Fenn College. The other 50 per cent which had to do with matters specifically pertaining to the company involved was left as the training responsibility of the personnel department or plant supervisor. Most of these training courses, whether carried on by outside institutions or by the companies themselves, consist of classroom type training and discussion with groups of fifteen to twenty foremen. These are followed up by written summaries of the conferences which serve the foreman for reference and for review.

The subject matter presented in these courses differs considerably from that in training courses given a few years ago. Conferences on human relations have replaced many of those which dealt with technical or mechanical problems in the foreman's deparment. *As they become less technical, these changes make the jobs of foremen more uniform throughout industry* and so make it possible for a large proportion of training to be conducted by outside educational groups or institutions, under well qualified specialists in human relations problems.

Foremen's Jobs Becoming More Alike

Human relations, the new major component of the job of foreman, is more uniform and general than the factors formerly considered of primary importance. While there are detailed and specific phases of human relations which apply only to particular job situations, most of the subject matter under this heading is applicable throughout all of industry. The jobs of foremen, therefore, are much more alike than they were in the past, with the result that there is a stronger bond of interest in this group.

A number of companies have taken advantage of the opportunities brought about by this change to promote fellowship among the foremen group. Banquets are often arranged to provide foremen with an opportunity to get together informally and discuss their problems. Companies sometimes schedule foremen's meetings once each month and invite various top executives to speak at these groups or to join in a get-together. These companies believe that better understanding between members of "the management team" will arise as the result of greater knowledge of each other's personalities.

Some communities have organized local foremen's associations, which convene at scheduled intervals, usually at dinner meetings, highlighted by selected outside speakers. Typical of such activities is the Foreman's Club of Toledo, which meets once a month for the purpose of discussing capital, management, labor and government.

The increasing similarities in the functions, qualifications and responsibilities of foremen have made this type of organization possible and have heightened the interest of foremen in meeting together to discuss common problems. Also there are national organizations such as The National Foreman's Institute which make available publications dealing with the development of new techniques relating to the job of foreman.

Psychological Base

The portion of a training course which deals with the general aspect of human relations includes a definition and an indication of the importance of a change in the job of foremen, growing out of the numerous contacts with employees.

It often consists largely of case studies, some of which are prepared from records by the conference leader, others being brought up by foremen in discussion periods as matters which they have faced, or problems for which they are currently seeking solutions.

(*Such courses do more harm than good, unless they are founded on sound psychological principles, and conducted by men who do not have abnormalities in their own characters.*

Human motivations, emotions, fears, social attitudes, logical processes, types of abnormality, fluctuations of character, mental hygiene, inter-personal relations, the elements of leadership, psycho-somatic reactions, etc. are some of the matters that should be discussed.

Long technical words are unnecessary in dealing with them, but language used should be sufficiently technical so that a reasonable degree of exactness of meaning is arrived at. Much ordinary language is too slovenly to have any real meaning, and hinders rather than helps understanding. Editor.)

Union Contract Negotiation

Formal classroom or conference-type training is used to a lesser degree for education on this subject. The main purpose of training on union contract negotiation is to show foremen the evolution of a contract and to ensure their understanding of it. This is a great help in their own dealings with union members, and in their explanations and interpretations of it to employees. To an increasing degree, company managements confer with foremen and supervisors on the in-force or working aspects of the union contract.

Hudson Motors Plan

Hudson Motor Car Company has devised a method by which large companies can circulate information regarding union contracts and negotiations with the desired effect. A rotating plan of attendance by supervisors is set up at the beginning of contract negotiation in order that all supervisors will have an opportunity to watch the negotiations in process. Occasional deviations are made from the schedule as matters relating to specific departments arise, so that supervisors will be present when subjects are discussed which pertain to their departments.

Detailed minutes of the contract negotiation meetings are also prepared and circulated on the same day to foremen. On completion of negotiations and signing of the contract, a memorandum for foremen is prepared regarding it. This memorandum is in two sections. Section I, the contract, is placed on odd-numbered pages; Section II, the interpretation, is placed on even-numbered pages. This memoran-

dum, inserted in the loose-leaf "Supervisors' Handbook," provides foremen and supervisors with a ready reference to the contract, with a clause-by-clause interpretation on the opposite pages. Insertion of the minutes of contract negotiations provides foremen and supervisors with a lasting reference to the evolution of the contract.

Two-way communication is established by means of conferences held subsequent to the signing of the contract. Meetings for supervisors are held by the negotiators, and meetings for foremen are held by the supervisors. Supervisors are also provided with a means of stating their viewpoints and those of their foremen by being included in contract negotiations.

Plans Evaluated

(While these plans are nice and an advance over previous practices, two things should be noted: (a) often the foreman is like a man in the bleachers at a ball game—except that he may not yell his head off, or throw pop bottles—he has no apparent say in determining the working rules he will have to operate, (b) from our knowledge of foremen similarly placed, we have a strong suspicion that many of them know what is going on in contract negotiations, and often, as regards changes in working rules, help union officials to formulate them and make suggestions about them. So that when workers do not get their way finally in negotiations it often means that the foreman does not get a rule which he and the men have already agreed they can work under.

The blue-eyed innocent look of many foremen when they sit in personnel department organized conferences designed to tell them about the new contract is an act that is worth watching. Their simulated inability to understand or administer some of these rules subsequently is all part of the same act.

One busy company president, who likes to know what is going on in labor relations in his company, but does not have too much time, occasionally sits in on negotiations for a while, and studies transcripts of proceedings. He adopts the point of view that there is some reason for what union officials ask for, apart from their supposed orneriness.

Recently he concluded that, in one of his plants, the many union requests for changes in working conditions actually originated in his foremen. The foremen were making recommendations to upper branches of supervision who were too stubborn or indifferent to give them proper consideration. So the foremen were tipping off the union to demand the adoption of the recommendations, with a force that the foremen did not have.

He took the necessary steps to see that the block in communication, caused by higher supervision, was opened up, and his foremen were as free to make recommendations as the union. Editor.)

How Subject Matter Selected

There are a variety of ways in which the subject matter for employee meetings or conferences is compiled. In one large progressive utility company information

on production, operation and policy matters emanates from a central executive committee, which consists of the Executive Vice President and the two Vice Presidents in charge of Operations and Construction. The group meets once each week on Tuesday; the minutes, prepared by a representative of the Industrial Relations Department, serve as a nucleus for the distribution of management information to supervisory groups. Supervisory and foremen groups meet later each week to review the minutes and to discuss other matters pertaining to their job problems.

The emergency group is an exception to weekly conferences; it holds a breakfast meeting at 7:00 in the morning one Monday each month. The conference starts after breakfast with a review of the executive committee bulletins which have been circulated during the previous month. There is a round-table discussion which lasts until every man has had an opportunity to add his comments.

The conference is conducted by the General Supervisor. Those also present are supervisors and the foremen of the two day shifts. As the entire emergency crew works on a monthly rotating shift plan, each foreman is present at two out of every three meetings.

From this group there have come many improvements in emergency service. Various types of applicances which have been added to the equipment of the emergency crew have been developed as a result of these discussions. Apparently this group has been convening over a period of some time, as there is absolute relaxation as far as the foremen are concerned in regard to discussing their individual problems or problems of minute detail concerning their jobs. Approximately fifty men are present at each of these conferences, and no need is indicated for the writing out of questions which are to be discussed.

Conference Leadership

Small group discussions or conferences require, in view of the number of conferences which must be held, that many people in a company be adept at conference discussion leadership—usually foremen or industrial relations department personnel. Occasionally, group discussions are led by members of the industrial relations department. However, the majority of company managements apparently feel that valuable training for foremen in conference leadership, human relations, and matters of company policy and procedure are lost when their part in the general training program is minimized. There is an increasing tendency for managements to train foremen in group discussion leadership and to use them where possible.

Information passing from the top management level to employees must be written or disseminated in large group conferences or follow the lines of communication set up by the company's organization plan. In this latter instance it is necessary to train successive levels of management in the matter under discussion. Often this method follows the departmental line so that information reaches foremen through the supervisory level. Scheduling is left to the discretion of foremen. The training

foremen receive in preparing and executing these conferences also serves valuably as a means of instilling in the minds of employees the place of foremen in management.

Training Subjects

In the past it has been the practice of a number of companies to have members of the training department select subject matter for all training courses. In some instances this practice is still in effect, but greater emphasis is now being given to suggestions and requests made by supervisors and foremen. Attitude surveys, by uncovering incorrect viewpoints, also indicate subjects upon which training is needed.

When companies have thoroughly indoctrinated their employees and foremen with policies and procedures, it is necessary to restate them occasionally in company publications, directly or as need arises in cases of frequent infraction. Incoming employees have two ways of obtaining information relative to these matters. The employment interview and its follow-up in the employees' handbook serve as a nucleus of information which is enlarged during employment by conversation with informed employees.

Occasional changes in policy or procedure may necessitate retraining of employees, and the business outlook of the company may change frequently enough to make continuous reinformation desirable. In such matters, management has come to rely on foremen, to a large extent, to inform workers. This, in turn, requires changes in training given to foremen in conference leadership and on the relevant subject matter. It is assumed that foremen will use the method which seems most appropriate to them in disseminating the information received.

Two-Way Flow of Information

In order to measure up to the requirements of communication it is necessary for industrial information channels to be flexible and unclogged. Interviews or small group conferences provide a two-way flow of information. In order to further this doctrine of two-way communication, the word "meetings" has been replaced to a large extent by the word, "conferences," which is defined as "the act of consulting together formally; serious conversation or discussion; interchange of interviews."

Small group conferences however are costly and should be limited to subjects which require a free interchange of ideas or questions. Other appropriate means should be used for mere dissemination of information. Classification of information according to the amount of relative discussion is helpful in determining the best method of communication. These classifications might appear as:

1 Debatable subjects, technical subjects, and others which should arouse numerous questions. These obviously are best suited for

interviews and small group conferences which most readily permit the interchange of ideas.

2. Policy matters which may require some explanation. Often these can be handled effectively in writing when additional information and discussion are made readily available. Sometimes such phrases as "for further details or for explanation see your foreman" appear at the end of written discussions.
3. Personals, company recreation news, divisional reports. This embraces material which normally appears in company magazines or newspapers.

In addition to providing for two-way communication when company information is being disseminated, many companies endeavor to facilitate day-to-day questions which arise in the minds of employees. Employees are encouraged to direct their questions to foremen. If foremen are properly trained and broadly informed, they can respond to most queries. Suggestion systems usually are installed to give monetary stimulation to the thinking of employees on matters relating to their jobs or company.

"Open-Door" Policy No Good

The "open-door" policy which infers the availability of executives for questions and complaints has been tried with varying degrees of success. One large corporation has applied the open-door policy for a number of years and finds that psychological barriers limit its effectiveness. Employees who have requests, questions or complaints and start up the line are stopped by the unfamiliarity of surroundings and a sense of inadequacy or futility. Others are reluctant to go "over the head of the boss"; and sometimes it is difficult to convince foremen that this method does not lessen their authority or security.

The open-door policy is more effective in the case of self-assured, aggressive employees, but these are in the minority. To provide for the less articulate and aggressive employees, it is necessary to assure them that they will not be rebuffed or subject to derision by making themselves conspicuous.

Cleveland Electric Illuminating Company, as one example, has all comments at conferences written out by the group secretary, if agreeable to the questioner, and sent unsigned to the training division. Some divisions of another company have installed a "request system," which is comparable in its operations to suggestion systems. Each month the unsigned requests are reviewed by a staff committee and are granted when practical. An interesting point about this method is that the requests are sincere and honest and those which go unanswered usually show up sixty to ninety days later as grievances.

Place of the Union

Where there is a union, it, through shop stewards and other officials becomes the main channel through which most employees communicate complaints, grievances and requests to the management. The obvious effect of this procedure is the strengthening of union ties, for eventually employees come to think that all benefits come about as the result of the union's effort or pressure, directly used or threatened.

(The last paragraph relates mainly to complaints, grievances and refused requests. It is the obvious policy of a union to try to strengthen the ties which bind its members to it, just as it is the obvious policy of a company to try to strengthen the ties which bind workers to it. These two pulls however are not mutually exclusive, though many companies unnecessarily annoy their unions by seemingly trying to reduce the loyalty of union members.

Therefore, every communication to employees, either directly or through the supervisory force, should be most carefully scrutinized to see that all elements or methods of statement offensive to the union are eliminated. By this we do not refer to minimum essentials to avoid trouble under the Wagner Act, but a sincere endeavour to work harmoniously with the union. Editor.)

Responsibility for Communication

Despite the new emphasis on the place of foremen, company communication as a program is still primarily the responsibility of the personnel relations department. For this purpose new talents are being brought into use. In General Motors Corporation, for example, the executive charged with communication has a background in merchandising. At Thompson Products, Inc. a former newspaper man handles communication. Armstrong Cork Company does not deal with the subject of employee information separate from its regular personnel administration activity, but it does make use of the Advertising Department in a consulting capacity on all communication. In one way or another, the need for specialists in communication is being recognized.

(We think this trend, if it is one, is absolutely hateful. Industrial relations has been made infinitely more difficult, since the Wagner Act, because of the misguided interference of high priced incompetent lawyers, lacking by training and inclination, in the most elementary understanding of the basic elements of human agreement.

Now, according to the author, we are to witness industrial relations handled by merchandizers, whose specialty often is getting people to buy shoddy goods in bargain basements, by news-hawks trained in digging up and publicizing dirt about people, and by advertizing pansies who are specialists in the construction of soap-box operas and jingles.

We think companies are unwise in using such men for this purpose. Their whole outlook is in the direction of using tricky words and phrases, even when they do not deliberately misrepresent and distort. Once any company inspired information comes under worker suspicion the damage to good feeling takes years to repair.

As the author says, "reliance on the veracity of company information is not spontaneous," and "some companies . . . have . . . found the going a little tough." Editor.)

A program devoted to informing employees has the characteristics of a continuous training course in company matters. Some companies which have recently started communication plans have found the going a little tough, for receptiveness depends upon interest which, in turn, depends upon the creation of a proper climate for learning. There always are a number of isolated subjects, such as those pertaining to individual security, about which employees seek information. However, subject matter dealing with more complex policies and procedures, by which and through which this security is created, is of interest only when employees have been educated over a relatively long period of time to the importance of this information.

More Logical Company Structure Essential

Although few new techniques have been developed, the present use of these new techniques and the new use of old means of communication both show a new basic idea with regard to the importance of communication, namely the importance of the education of employees to a constant awareness of company policies and practices. This has a dual effect, for while employee interest in the policies and practices of a company helps to create constructive effort with regard to the solution of its problems, it also brings about the need for clarification on all matters pertaining to the company and the logical and modern approach to industrial relations problems. Consequently, many companies have made major or minor changes in their company's organization structure or plan in order to make the delegation of responsibility more apparent and more logical.

As mentioned earlier, the new concepts of the job of the foreman and changes which have been made in organization both have led toward the greater uniformity of each throughout industry. The new problem of communication, therefore, is more uniform among industries than it has been in the past. A division of interest or a difference in requirements is based more on the size of a company and the geographical location of its plants rather than upon its particular product.

The Grape-vine

One of the greatest sources of misinformation can be the informal word-of-mouth "grapevine," which thrives everywhere. Faultiness of original information coupled with a natural distortion as word is passed from person to person may result in far-from-fact data which may be extremely harmful.

As the grapevine cannot be eliminated completely, its harmfulness may be diminished considerably by the installation of effective means for distributing company information quickly and accurately. Company managements usually indicate that in their experience timing has proved to be an essential factor in combating the effects of misinformation. This is, in effect, feeding the right stuff into the grapevine.

Topics which normally circulate in the grapevine concern matters which are dramatic or are the source of question and complaint. One of the most frequently occurring subjects is that of the salaries of the top management group. To some extent, publishing of annual financial reports reduces informal discussion of this subject to a minimum.

(*We always thought that companies liked their employees to discuss fully all matters contained in annual financial reports placed in their hands, and that the extent to which they did so was a measure of their interest in the company, and of their morale. Bosses spend an awful lot of time talking about how much pay their workers get, so it seems only fair that workers should be given an equal opportunity to talk about hou much pay their bosses get. You cannot stop them, anyway. Editor.*)

Some company presidents have gone to considerable trouble to interpret job specifications of top executives in terms of money and in terms of relative wages received. Others interpret mass salaries of the management group in terms of hourly cost to employees.

This latter practice is supposed to have had the effect of minimizing the importance of big executive salaries. The small difference these salaries make in hourly quotation for employees is supposed to disabuse their minds of the dimensions ordinarily conceived for top management salaries.

Other subjects upon which grapevines feed are rumors of layoffs, material shortages and other matters which affect security. The most effective way so far discovered for eliminating misinformation is the quick release of sincere statements.

Large Group Meetings

Convening all employees or management for meetings or for speeches means the loss of many man-hours, affecting production. On the other hand, when meetings are scheduled for off hours, attendance seldom is compulsory, with the result that there may be many absences.

The American Tube Bending Company, with less than 300 employees, has all such meetings during working hours. They are called for specific purposes, are not routine, and care is exercised to ensure that the meetings are not held too frequently. They occur approximately four times each year.

Thompson Products, Inc. employing approximately 10,000, also holds mass meetings at specified intervals for specific purposes or in emergencies. Meetings are held in working hours and employees are compensated fully for the time spent therein. An annual gathering for oral report of the financial condition of the company is also held.

The Cleveland Electric Illuminating Company schedules quarterly dinner meetings for the entire management group, one meeting being devoted to the financial report. The meetings are held in off hours and attendance is voluntary. The near 100 per cent attendance of employees of both the above companies at these off hour meetings is attributed to:

1. Education of employees to an intelligent awareness of the significance of the information they are to receive
2. The social aspects of these gatherings
3. Intelligent showmanship employed by the top executives in preparing and executing the programs
4. Interest not worn thin by meeting too frequently

Public Address Systems too Impersonal

Public address systems are now used primarily for newscasts or direction in emergencies. The impression of inaccessibility given by unseen speakers has caused many companies to abandon or to limit drastically the use of public address systems. For this same reason, the use of public address systems for paging individuals also has decreased.

Although there have been few additions in recent years to the way in which management informs employees, in writing, of company policies, procedures, changes or company news, there have been many new techniques developed by which these means are used.

Changes have been made in the type of information assigned to each medium. Company magazines and newspapers, for example, still contain personal items about employees but the relative amount of space devoted to them has diminished. The tone and the format also have changed.

Employee Interest in Company Magazine

House organs or employee magazines generally are not used to communicate subjects on which management "has a bone to pick." Mention of such matters as union efforts to organize a plant are limited to its value as news. Semitechnical material such as financial statements usually does not appear in company magazines except as a supplement to separate reports. One company in which a test was conducted found interest in subjects covered by the magazine in approximately the following order:

1. Roving reporter, personals
2. Company news, new plants, etc.
3. Feature stories, news of technological advance
4. Products
5. Employee activities
6. Company progress, policy, service awards, etc.
7. Foreign plants and operations
8. Personality stories
9. Semiannual reports
10. General company organization stories
11. Editor and commentary

Motion Pictures

The use of motion pictures as aids to orientation became more widespread during the war. The simplicity, directness and uniformity of the screen, coupled with its familiar appeal, proved tremendously helpful in the induction of large numbers of employees. Motion pictures have been helpful in ensuring greater coverage of company policies without loss of interest; they stimulate questions on the part of applicants which must be answered by employment interviewers.

Repeating Communication

There is a natural tendency to pay closest attention to—and to learn the most about—things which are of immediate personal importance. A test of knowledge of company policies, practices and procedures conducted among newly inducted employees probably would indicate that closest attention is paid to matters relating to wages, method of payment, job security and promotion.

Subsequent to this intake of information, employees probably would be found learning about company policies one at a time. And there probably would not be any great degree of coincidence in the subjects being learned unless one of them happened to become an issue of general interest as the result of something which happened in the company or in the plant.

Basing their general education plan on this hypothesis, some companies repeatedly present company policies and procedures in different ways through the different means of communication, using every possible case examples to bring these policies into the company news. Suggestion systems, long-service awards, employee recreation groups, clubs, athletic associations and similar "employee benefits" lend themselves quite naturally to the repeating process. Some things which do not have the same news value, such as mutual benefit associations and insurance plans, are repeated by keynoting the extensiveness of their activity at regular intervals.

International Harvester, consequently, issues quarterly statements rather than annual statements. Other companies variously make their reports annually, bi-annually, quarterly or monthly. Employing another aspect of the repeat process, one company used exactly the same form for a period of years so as to present a similar background against which they felt employees would become familiar with the sequences and method of presentation of figures.

Merit Reviews

Union leaders direct considerable adverse comment at present to practices in merit rating. Most of this comment revolves about the use of such elusive attributes as personality, ability to get along with other people, etc. Nevertheless, there is considerably more interest in this subject than there has been in past years.

In companies which conduct merit ratings for all employees, there is an increasing tendency to review these data with employees at regularly stipulated intervals. In some cases the review is conducted by foremen or the immediate supervisor of the employee. In others the review is conducted by a member of the Personnel or Industrial Relations Department. Companies using this system find it valuable in informing employees of their standing in the company, ensuring them of fair treatment in promotion and establishing regular periodic communication with employees on matters specifically related to their individual jobs.

Grievance Procedure

The volume of grievances handled through the union gives some indication of the status of the company with regard to execution of modern, progressive industrial relations policies.

Typical of the procedure in a well-known independent union shop is that maintained by Thompson Products, Inc. A grievance which has not been satisfactorily settled by the foreman is taken through to the plant personnel department and thence to the general Personnel Department. At this latter stage an employee representative must be present. Step by step a grievance is taken up the line until finally it is taken to the President. Following the organization chart in its course, the grievance procedure is readily understood by the vast majority of employees.

Attitude Surveys

Periodic surveys of employee attitude are increasing in use as a means of establishing employees-to-management communication. The importance of employee reaction regarding company policies and procedures was recognized more and more as increasing emphasis was placed on the effect of morale upon production during the war. Whether the new emphasis has come about as a result of an effort to raise morale, or because management feels that it can be more objective when it has a compilation of the subjective viewpoint of wage earners on which to measure its policies, or because attitude surveys are recognized as an effective means of establishing the second half of two-way communication, the result is the same.

The widespread use of this technique has been coincidental in growth to that of management-to-employee communication and the result of the combination has been to stimulate employee thinking with regard to company matters and management problems, and to stimulate management recognition of the real problems and the real reactions of employees.

In the course of transition from the early industrial management idea that the entire interest of an employee was centered in his pay check to the present endeavor to "make the shop well-known as a good place to work," there have been developed many new techniques which are applied in the field of human relations. Much of this has been the result of technological advancement and the need for "higher type

labor." Much of it also has been due to the development of techniques, (such as collective bargaining. Ed.) which supply management with an indication of what and how employees actually think.

The difference between *knowing* how the wage earner thinks and reacts and *thinking* how he thinks and reacts is revealed in the employee handbooks of a number of companies. No company with a genuine interest in the thoughts and ideas of its employees and a satisfactory measurement of their reactions publishes a handbook which carries a tone of "talking down." Carefully planned employee attitude surveys are one effective means of replacing hazardous "assumed objectiveness" with real knowledge and understanding.

Usually top managements find that their own judgment of the weakness of their communication plan is not entirely accurate. Thompson Products, Inc. as one example, found great discrepancies in employee knowledge relative to the company bonus plan—a plan which had been widely publicized among employees, and described in numerous written communications. The solution to this particular problem was the publishing of a new pamphlet which completely outlined the bonus plan arrangement and specifically highlighted the answers to questions which showed up in the attitude survey. Much harm to morale can come from mismanagement of the results of an attitude survey. If the compilation is kept secret and there is no apparent use of results, other attitude surveys are doomed before they are conducted.

A Fresh Outlook

The greater need for understanding of company policies, procedures and problems is apparent to most top managements. And the realism with which they are approaching these problems already has gone beyond their original purpose of enlivening the means used to pass the word. In educating employees, executives have also learned a great deal about the employees' outlook and the actual effect of company policies.

Training methods have been analyzed, organization plans have been reviewed and improved, the place and the job of foremen and supervisors have been redefined. Some executives feel this to be one of the most progressive steps that has been made in management practices during the past decade.

(Few executives have been willing to openly express their thanks to the union officials who have forced them to make these progressive improvements. Editor.)

If the Annual Guarantee Principle Is to Be Extended It Must Be Understood That There Is No Single Formula That Can Be Indiscriminately Applied to All Industries.

Annual Guarantees

By Harry Polland, *San Francisco, Cal.*

At the present time the scramble for wage increases is drawing attention away from the need to evolve a program to insure full and continuous employment for American wage earners—an economic objective which is primary to the future welfare of our nation. One measure to maximize employment security which is receiving some notice is the guaranteed annual wage.

By and large, a considerable growth of interest in annual payment has been noted in recent years and today there are probably more plans in effect than ever before.

Federal Government Encouragement

The federal government has attempted to encourage guarantee plans. The Social Security Act permits any State to grant lower social security rates to employers who guarantee thirty hours of wages for forty weeks within twelve months. Employers who have signed a collective bargaining agreement guaranteeing annual employment may be exempt under the Fair Labor Standards Act from the payment of overtime up to twelve hours per day, fifty-six hours per week, and two thousand eighty hours a year.

President Roosevelt ordered a national study of the guaranteed annual wage shortly before his death and the report is now in the process of preparation. Murray W. Latimer, Research Director of the study, has outlined the procedure to be used as follows:

1. Examination of specific experience with guaranteed wage plans.
2. Analysis of methods and possibilities of regularizing production and stabilizing employment.
3. Inquiry on cost of various types of wage guarantee.
4. Analysis of economic effect of guaranteed wages.
5. Examination of relation of guaranteed wage plans to other economic measures also intended to stablize or increase the national income.

Professor Alvin Hansen, of Harvard, and Paul A. Samuelson, of the Massachusetts Institute of Technology, will analyze the broader implications to the American economy of annual wage plans.

Interest of Industry and Unions

The National Association of Manufacturers and industry generally have shown keen interest in the whole problem of regularizing employment. Management is conducting numerous studies and in some cases voluntarily instituting guarantee plans. These developments within industry itself indicate that annual guarantee plans have more than academic significance at the present time.

Labor unions, of course, have long been interested in this subject. They have succeeded to some extent in incorporating wage guarantee provisions in their collective bargaining agreements. President William Green of the American Federation of Labor describes this development in the "American Federationist" (April, 1945) as follows:

> "The experience of the past twelve years. . . has demonstrated the workability of the guaranteed annual wage. As the result of collective bargaining negotiations, the annual wage guarantee has become a reality in many widely diversified sections of industry. In many instances its worth has been tested over a period of years. Union agreements providing for a guaranteed annual wage have been put into effect in a number of manufacturing plants, in many printing establishments, in meat packing and food distribution, and in service trades, such as laundries. In addition, there are a number of agreements which provide for partial stabilization of income on a semi-annual or a quarterly basis."

A recent Bureau of Labor Statistics survey states that out of a group of eight million workers covered by collective bargaining agreements studied, approximately 42,500 are covered by guaranteed wage or employment plans.

Types of Plans in Operation

The three biggest and best known are the Procter & Gamble, the Nunn-Bush, and the Hormel Plans. The salient features of each of these plans are discussed below:

Procter & Gamble: The plan which covers employees in the soap manufacturing plants of the company provides that persons who have been employed continuously for two years are guaranteed forty-eight weeks of employment per year.

Nunn-Bush Company: This firm manufactures footwear. The gross income from sales by the company is put into a wage fund for employees. Virtually all employees with at least two years of service are guaranteed fifty-two pay checks per year. The weekly pay check is the employee's "differential rate" (present average hourly rate) times the probable average number of hours per week for the year.

The weekly pay check is in the nature of a drawing account. The drawing may be revised upward or downward, depending upon the size of the wage fund.

George A. Hormel & Co.: The plan of this company, which is engaged in the manufacturing of food products, provides for the payment of fifty-two pay checks per year to its workers, in accordance with a work schedule established by departments. As an incentive, employees in each department in which the production quotas are exceeded receive additional compensation.

Plans Included in Agreements

Other Plans: There are, of course, numerous guarantee plans in existence among diversified industries. Guarantee provisions in these cases are usually contained in the collective bargaining agreements.

The War Labor Board reported in 1944 that of 55 guarantee plans studied, more than two-thirds were incorporated in union agreements.

Examples of guarantee plans contained in union agreements are the following:

An agreement between the Retail Clerks' International Protective Association (AFL) and twenty-five retail establishments in New York guarantees year-round work to all employees without restrictions of any kind.

An agreement covering maintenance painters in hotel and office buildings in Cleveland provides a guarantee of not less than forty-two weeks' work at forty hours per week, including ten days' annual sick leave and fourteen days' vacation with full pay. This agreement was negotiated by the International Brotherhood of Painters, Decorators and Paper Hangers (AFL).

Types of Provisions

The following is a standard provision as reported by the Bureau of National Affairs:

> "The Company guarantees all regular employees forty hours work each week, except that Millers, Machine Tenders, and one Millwright are guaranteed forty-eight hours work each week during the life of this agreement unless a prolonged shut-down is caused by an act of God, lightning, fire, or explosion." (Atkinson Milling Co. and American Federation of Grain Processors—AFL)

The clause quoted below sets forth the yearly earnings as guaranteed in a current collective bargaining agreement:

> "The Company agrees to continue to employ the members of the Association now presently in the employ of the Company during the period covered by this agreement, and guarantees to pay for said period to each journeyman printer an annual wage of not less than Thirty-nine Hundred Dollars ($3900.00), payable weekly at the rate of Seventy-five Dollars ($75.00) per week.

"The basic work week through the term covered by this contract shall be forty (40) hours per week, to be completed within five (5) working days or less; but in no event shall the term 'working days', as herein used, be construed so as to include either Saturday or Sunday." (Hornell Industries, Inc. and Machine Printers Beneficial Association.)

Weekly and monthly wage guarantees are, of course, much more prevalent in collective bargaining contracts than annual guarantees. However, the United Steel Workers and the United Packinghouse Workers have recently made a concerted drive which will extend to other unions as well, to obtain annual guarantees in their collective bargaining contracts.

An Appraisal of Annual Guarantees

No one can deny the desirability of a guaranteed minimum annual income for all wage earners.

The advantages are numerous.

(1) By helping to remove fear of unemployment, guarantee plans greatly enhance the economic and psychological security of workers.

(2) The assurance of guarantees also serves to improve the productiveness of labor. Management's efforts to extend continuity of employment tend to promote a feeling of confidence and security among employees and stimulate plant efficiency.

(3) Such plans encourage constructive labor-management relations by creating stable union memberships and reducing tensions, grievances and discriminatory pratices.

(4) Annual guarantees contribute to the general prosperity of the community. They stimulate home ownership, increase purchases of durable goods, etc.

(5) One of the main results of employment guarantees is that they induce employers to overcome the wastefulness of irregular operations and stimulate stable production and distribution of goods and services. Employers have much to gain by the discipline imposed upon them under guarantee plans. Low training costs, reduced turnover, greater use of plant and equipment, lower production costs, reduced unemployment compensation taxes, and improved morale among employees are some of the financial advantages to employers resulting from employment regularization.

(6) Because of the sporadic incidence of guarantee plans, it is impossible to determine as yet their over-all effect on our economy. It is safe to say that they can even out seasonal and other short-run irregularities in employment. Moreover, the extensive use of these plans might have significant effects on the total economy.

The assurance of a minimum annual income for a large segment of our working population would unquestionably have a substantial and desirable effect on the national stability.

Must Vary from Industry to Industry

However, if the annual guarantee principle is to be extended to cover an ever-widening group of wage earners, it must be understood that there is no single formula that can be indiscriminately applied to all industries. The form of guarantee to be established will vary from industry to industry, depending upon the economics of the industry and the financial resources available for maintaining a guarantee.

Industries whose production or services have already been stabilized through constant consumer demand offer the widest scope for the immediate application of guarantee plans. At the opposite extreme there are highly seasonal industries like canning where other techniques will have to be devised in order to issue workers adequate annual incomes.

Somewhere between these extremes the bulk of American industries there is great seasonal fluctuation in employment, the extent of which is not generally known.

It is these industries with "slack" seasons where real opportunity exists for regularizing employment. Guaranteed employment and wage plans offer an effective and tangible means for accomplishing this end.

As the effects of the war boom wear off, the necessity for providing steady employment opportunities for American wage earners will become the central economic problem of our time. Unless this problem is more effectively dealt with than it is at the present time, we will pay dearly in the form of insecurity, sickness and poverty among our people. The guaranteed annual wage and employment system is an effective and intelligent measure in the fight against the evils of unemployment.

There is always Difficulty in Arranging Face to Face Meetings of Higher Executives with the Rank and File Without Interfering With Normal Lines of Communication. Properly Organized Training is One Way of Doing it.

Top Management *does* Training

By William G. Torpey, U. S. Maritime Service Headquarters, Washington, D. C.

Innumerable training programs have been evolved by both governmental agencies and industrial organizations for the purpose of familiarizing the rank and file of employees with broad objectives and general problems of the activity. In nearly every instance, however, such training is given by members of the training staff of the organization. In industry and particularly in governmental agencies, there have been comparatively few occasions on which top management itself tells its own story verbally and systematically to its own employees. In one federal agency, recently, an experiment involving a direct approach to the training problem through the personal participation of top management was conducted. The purpose of this article is to summarize problems and techniques associated with the experiment, and to touch upon observable results.

The United States Maritime Service aims to advance the personnel of the Merchant Marine to a higher point of practical efficiency. It has the responsibility for training men to become licensed and unlicensed seamen. Upon completion of specific training courses, these men become part of the crew aboard United States vessels engaged in the transportation of persons and goods to all parts of the world.

Original Ideas Limited

Because of the technical nature of the work of the Maritime Service, most civil service employees of the central office begin their employment in the agency with a limited concept of what the service does. In-service training programs must be

relied upon as the chief method of instructing employees in the fundamentals of agency operations. The experiment to utilize the services of top executive as training technicians was devised by the Personnel Officer, Headquarters as another form of in-service training to improve the general efficiency of personnel.

In establishing the program in which the ten leading administrators of the central office of the agency were to be participants, three problems were immediately recognized, namely: Convincing all top officials of the agency of the efficacy of their individual wholehearted participation in the program; providing for continuity of thought throughout the series of individual presentations, and determining the most desirable time of the day to hold such sessions.

With respect to obtaining the active support of all key administrative officials of the agency, approval of the program by the Operations Officer of the agency was first sought and secured. The plan was next discussed individually with each official. Such individual conversations between the various key administrators and the Personnel Officer developed common viewpoints toward the program and clarified aspects of the approach. It was emphasized to each official that the success of the plan depended upon his active personal support. Finally, at a regular staff meeting of the agency, the program was collectively discussed and unanimously adopted. As his own contribution to insuring success, each administrative official indicated his willingness to participate through presentation of material related to his particular sphere of agency activity.

Integration of Content

Integration of the content of the individual sessions was accomplished initially through the establishment of a general pattern of subject matter. It was suggested to each administrator that emphasis be placed upon the nature of his own assignment, upon broad problems of operations within his own staff office, and upon the interrelationships he encountered with other staff offices of the agency. The Personnel Officer prescribed one or more areas of data within each staff office to tie in with the general program. Once the topic was finally selected, assistance in methodologies of presentation was extended to individual administrative officials through preparing specific instructional material, such as films, blackboards, charts, graphs, mimeographed material and pamphlets, prior to the actual session.

The desirability of projecting such an in-service training course during the normal work day was unquestioned. However, the work load of the agency precluded the establishment of the program during regular working hours. Furthermore, a better estimate of employee interest was obtainable if employees voluntarily attended on their own time. In addition, by scheduling the sessions after working hours, the individual employee had an excellent opportunity to meet the individual administrator personally at the conclusion of the meeting.

Sessions on Employee Time

The program consisted of ten sessions, each held one night per week, directly following the close of the normal work day. Each session ranged from one to one and one-half hours. Employee attendance was strictly voluntary but, for the initial program, limited to employees of the Personnel Office, which has ninety-three per cent of the civil service employees of the central office. Attendance at each session averaged forty-six per cent of the eligible personnel of the agency. The employees attending the sessions were not the same each week; approximately sixty-two per cent of the attendance was sustained. Such percentages assume greater significance when consideration is given to special factors, such as employee dependence upon local transportation schedules keyed to normal working hours, the fact that a very large proportion of the eligible employees are married and hence are normally expected home shortly after the close of the business day, and the comparative scarcity of eating facilities in the immediate vicinity of the building.

The type of presentation at each session varied. Six of the ten sessions featured informal talks lasting approximately twenty minutes, followed or preceded by a related movie usually of twenty-five minutes in length. At one session a full hour demonstration was conducted. Another session involved a semi-technical lecture together with the use of charts and graphs, without a movie. Two sessions were devoted to the roundtable method of presentation. Regardless of the type of presentation, employees were given an opportunity to ask questions and make suggestions during a period of approximately twenty minutes at the end of each session.

Benefits

It is believed that the apparent results of the program fully justify the efforts involved in its establishment and operation. Intangible as results of such a program inevitably are, at least four significant observations may be attributable, in no small way, to the experiment. First, employees who attended sessions received an excellent first-hand picture of agency processes. Secondly, from questions raised and comment made since the terminations of the sessions, there appears to be greater employee interest in the organization. Thirdly, from supervisory reports, employees seem to indicate greater individual interest in their own assignments. Finally, a better understanding and a feeling of mutual cooperation has developed jointly between top management and the individual employee.

Neither the problems faced in offering this particular type of in-service training by top management nor the results observed are particularly unique. The significance of the experiment lies in the keen realization that, through manipulation of available personnel resources, an organization may, by a series of comparatively simple processes, utilize one more method of stimulating and attaining greater organization effort.

The Physiological Studies of Dr. Haggard of Yale led Directly to the Provision of Refreshments for Workers During Rest Periods and Helped Materially in Increasing War Production. Hersey's Work if Followed up Might Be the Basis of Further Knowledge of Influences on Worker Productivity.

Hersey Variability

By James D. Weinland, New York University, New York, N. Y.

Beginning on the fourteenth of January, the author measured his strength every day for five months. The measuring instrument was a Smedley Dynamometer. The method was to squeeze as hard as possible with the left hand, then the right hand, then the left hand, and then the right hand. These four measures, taken to increase reliability, were averaged, and this average considered the days strength.

The measures were taken at the same time each day, immediately on arising in the morning and before breakfast.

The author's major purpose in measuring his strength in this way over a relatively prolonged period was to check in some slight degree on the so called "Hersey Variability."

Physiological Fluctuations?

In 1932, Rexford B. Hersey published in book form the results of a Study of Workman's Emotions. In this study he reported recurrent emotional fluctuations in male workers, that went from high to high, or low to low, in from 3 to 9 weeks. Along with the emotional fluctuations went an ease or difficulty of work; the high periods being characterized by greater output, and the low periods by more fatigue and less accomplishment.

These fluctuations were considered rhythmical and influenced by the environment to a secondary degree only. The ups and downs could be hurried, or delayed,

by environmental causes, or their extremes increased, or modified, but the fluctuations themselves appeared to be internally determined.

A variety of conclusions have been drawn from this study. It has been advised that everyone take the principle into account in planning his own work; arranging his hardest tasks for his high periods, and easier work for his low. It is said to be undesirable to make important decisions during low periods. The principle has been called on in mental hygiene discussions, with the prediction that no matter how miserable a person may feel, he has the assurance that he will feel better before long. In industry we find it suggested that men with like cyclical periods be placed in the same working groups to gain greater coordination in production. Vacations it is said could be arranged in such a way that a worker would receive his time away from work during a low period.

Conclusions Need Verification

The author of the present study felt that these conclusions should be verified before recommendations became too widely scattered through the literature.

Inspection of the curve of results (around the line of least squares) shows a long range variability that, in general, resembles the "Hersey Variability." By general inspection we find major low areas and high areas, as follows:

Periods of Low Strength

Around First Day	
	Interval 48 Days.
From 48th to 64th Day	
	Interval 48 Days.
Around 112th Day	

(This gives three periods of low strength approximately seven weeks apart.)

Periods of High Strength

From 25th to 34th Day	
	Interval 46 Days.
From 80th to 97th Day	
	Interval 43 Days.
Around 140th Day	

(This gives three periods of high strength approximately six weeks apart.)

The above intervals are taken from the graph by inspection. Some slight difference in intervals might be suggested by others but roughly, the major swings in strength are quite obvious.

Theory Supported

In undertaking this work the Author expected to bring evidence against the "Hersey Variability." It was his belief that such variability as existed was environmentally influenced by extra work assignments, depressing experiences, vacations

and the like. In consequence he jotted down major events such as on the 67th day, he was sent to bed with an infected foot and remained in bed till the 71st day. The 124th day was the last lecture period for the semester and was followed for a time with fewer responsibilities. Strength improved both with the infected foot and with the vacation, possibly due to the greater relaxation, or possibly because a "Hersey" up-swing was due.

The evidence of this study supports the theory of "Hersey Variability" rather than otherwise. There appears to be a fairly regular up and down swing of strength with a six to seven week interval between high peaks and low peaks. No very precise rhythm is called for by the theory.

The steady increase in strength over the whole five month period is also of interest. The subject squeezed the dynamometer only twice with each hand, each day. This amount of exercise was evidently enough to produce a gradual but continuous increase in strength. This increase in strength continued till the end of the experiment.

Small Daily Variability

The curve also indicates that a small, day to day variability in strength occurs. Excitement, the amount of work done from day to day, the food eaten, and the amount of sleep obtained, are probably responsible for these changes.

Conclusions: Conclusions should remain guarded till more evidence from a greater number of subjects is accumulated. Particularly should applications in regard to grouping workmen, determining vocations, and making work assignments be withheld till more information is available.

In this study of one subject over a five month period, however:

1. "Hersey Variability" is supported.

2. A continual slow increase in hand strength occurred as a consequence of the daily test exercise.

3. A small day to day variability in hand strength was indicated.

Experimental Notes

In graphing the results there appeared to be a gradual increase due to better handling of the instrument, or to increase of strength. In consequence the curve was smoothed flat (with a line of least squares) and the general increase was found to run from 56.39 kilograms in the beginning to 60.08 kilograms at the end. The author assumes that this increase was due primarily to increasing strength. He had long been familiar with the Smedley Dynamometer, having used it previously in other experiments and for demonstrations.

In order to determine the approximate variability due to the instrument a "control curve" was taken. Measurements were made in precisely the same manner

as above, beginning at 3 p.m. and repeated every ten minutes, for ten trials, till fatigue began to be an influence. The standard deviation of the control curve was .63. The standard deviation of the daily strength curve was 2.9. It seems probable that most of the variability in the five month strength curve, some two standard deviations, was due to factors other than those inherent in the instrument used.

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Negro Workers by Virtue of Their Adaptability, Their Job Performances, and Their Willingness to get Along with Other Workers Have Earned Their Right to Work and Earn Their Livelihood Beside Other Americans.

Negro Personnel Counselors

By Andrew G. Freeman, Wright Field, Dayton, Ohio

Negro counselors in industrial relations came into their own with the great demand for high production and increased efficiency during the war. Minority workers were hired for the first time by many industries, sometimes of the industries' own volition and sometimes under pressure from government regulations and manpower shortages. In most cases where Negro counselors were used, they were able to speed up the integration of minority workers into production plants and to smooth over the rough spots of racial friction. Many employers used Negro counselors to facilitate bi-racial adjustment problems.

Ford Experience

The Ford Motor Company has employed a Negro personnel assistant for a number of years, while The Curtiss-Wright Corporation with plants in Columbus and Cincinnati, Ohio used Negroes as counselors very effectively. The Wright Aeronautical plants in Patterson, New Jersey had a number of Negro counselors headed by a former Urban League executive. Wright and Patterson Fields near Dayton, Ohio also used Negro counselors during the war years and have expanded their activities since V-J Day.

With the support of management and a thorough knowledge of policies and procedures, Negro counselors have proved their worth in many plants scattered over the length and breadth of the industrial scene. Undoubtedly, the presence of a Negro in the Personnel department does much to inspire other Negro workers to become more efficient and productive on their jobs.

Management's Support

When a Negro counselor is hired, all plant personnel, supervisory and non-supervisory, should be prepared to accept him as a fellow worker. The decision to integrate Negroes should be followed by positive measures to implement democratic employment and personnel practices where these workers are concerned. Personnel practices that are successful with white employees will work with Negro workers just as well.

No half-hearted or apologetic steps should be tolerated. With the support of management, the Negro counselor can do much to increase employee acceptance of Negroes, and the Negroes themselves will make a satisfactory adjustment more easily.

The Negro counselor must be hired in good faith to do a job. His opinions and recommendations should be sought and considered. In many cases his word should be final, as his background and experiences are such that he understands Negro workers and their points of view. In problems of morale and efficiency, he can more effectively influence Negro workers than can white counselors whose advice and criticisms often are resented.

Qualifications

While there seems to be little written material on the educational and work experience requirements for counselors in general, those for Negro counselors should be the same as those deemed necessary for counselors of any other racial or nationality background. It goes without saying, that a college trained counselor is desirable in most cases, however many firms have successfully promoted clerical workers, foremen, and other supervisory employees to the position of counselor.

It seems desirable that prospective Negro counselors should have experience in a bi-racial work situation, the better to understand problems of racial friction and the action necessary for handling them.

Attitudes

While a Negro counselor should be encouraged to do all he can to help Negro workers adjust to their jobs—he must do so to earn their confidence and respect—management also must be considered whenever a question arises which calls for his arbitration. In fact, the workers themselves might develop dependent, antagonistic (to the majority group) attitudes unless they are taught the necessity of an objective approach to their problems. The counselor must realize that his job is to improve efficiency and productivity by helping workers see more clearly problems they are not equipped to solve without guidance.

The ability to get along with people is important in any phase of personnel management and industrial relations. With a counselor this ability is doubly im-

portant. Usually he must work with all levels of personnel from top management to unskilled workers. Such contacts call for an even-tempered disposition plus a natural, friendly manner.

Negro counselors have an additional problem that calls for much patience and objectivity. Very often after facing prejudice and discrimination in their off-the-job activities, minority workers are prone to have defensive attitudes on the job or in some cases they may be openly antagonistic to white workers in general. On the other hand, the counselor may work with and around white workers who resent Negroes and who must be further sold on accepting them on an equal basis. So the counselor who operates among such attitudes must strive to educate all workers to be tolerant and understanding of the differences that grow out of the backgrounds and experiences of people in general.

The Future of Negro Counselors

With the impetus given Negro employment during the war years, came the realization that discrimination and prejudice can be overcome without race-riots and total work stoppages. Employers who devoted sincere efforts to the integration of Negro workers were rewarded by the addition of dependable, capable workers whose productivity was no less, and in some instances was more, than white workers performing similar duties. Many white veterans who fought with Negroes in the armed forces, are not reluctant to work with them on the production line in times of peace. Negroes themselves learned the responsibilities and obligations that go with job opportunities in today's industries—the transition from the plantation and domestic services was not always easy.

In short, Negro workers by virtue of their adaptability, their job performances, and their willingness to get along with other workers, have earned their right to work and earn their livelihood beside other Americans. And management, in many cases, seems willing to have the Negro as a productive member of industry. If, however, full employment remains an ideal instead of a reality, Negroes will suffer as much as other workers and in some cases, more.

The future of the Negro counselor, then, would seem to hinge on the ability of America to provide full employment and on the realization of industry that one-tenth of the productive workers of the nation cannot be ignored and set aside. If such is the case, Negro counselors will again lead the way toward industrial harmony between the races, and may receive recognition as an integral part of personnel management and industrial relations.

A Description of Some of the Principal Jobs in Labor and Management

Jobs *in* Industrial Relations

By Dale Yoder, University of Minnesota, Minneapolis, Minn.

(From descriptive preface to report. 42 pp. This is a most valuable document which should be made widely available, in business and industry, government agencies and colleges. Copies may be obtained from Professor Dale Yoder, Industrial Relations Center, University of Minnesota, Minneapolis, Minn. (No price was shown on report.))

This tentative draft of *Release No. 2* of the Industrial Relations Center is issued in the present form at this time as an interim report. Current demands for the information it contains are so urgent that they justify the Center in making available the results already attained, even though the study is still in process.

More than a year ago, shortly after establishment of the Industrial Relations Center, members of the Center staff undertook a study designed to discover the nature of the most common industrial relations jobs in industry, labor, and government and the necessary personal qualifications for these jobs. The study has been continued, since July 1, 1945, with the assistance of a grant from the Graduate School of the University.

The study seeks to secure information with respect to the nature of these jobs which will indicate the types of work to be done and the types of persons required to do them. More specifically, the study seeks to describe the personal qualifications required of employees in these positions in terms of education, experience, basic abilities, aptitudes, and interests.

This information will have many uses. It will permit more effective vocational counseling and guidance than is presently possible. It will assist faculties of educational institutions here and elsewhere in developing curricular arrangements appropriate to the educational needs of those who now hold or are to fill these positions. It will assist both management and labor in determining how effectively these jobs

are now being performed and thus enable them to appraise fairly the qualifications and performance of incumbents.

The current need for information on industrial relations jobs is acute. More firms, agencies, and unions are providing more jobs in this field than ever before. Managements, labor organizations, and government have become increasingly aware of their need for competent leadership in these positions. Increased numbers of men and women are seeking professional training in preparation for this type of work.

Job descriptions which follow portray the jobs as they are, rather than as what they might be or should be. Those referring to positions in industry describe jobs as they have developed in a small number of large firms which have made most progress in professionalizing and specializing the various types of work. Some of them are applicable also to similar jobs in government agencies. Descriptions of jobs in labor organizations refer to positions as they have taken shape in the unions which have had most experience with them.

The present *Release*, particularly as it deals with personal requirements for the various jobs, reflects in large measure what may be described as current informed opinion, rather than the results of an analytic study of the abilities of persons who best perform these functions. Further study will undertake a more detailed quantitative analysis of measurable personal qualities.

It will be noted that there are fewer job descriptions for labor organizations than for industry and government. In part, this reflects the fact that greater attention has been given to the preparation of job descriptions for management jobs, so that information on these positions is more readily available. It may be, also, that jobs are somewhat more uniform in management than in labor organization—that there is a greater common denominator of comparable duties and responsibilities in jobs having a given title. Finally, there is the fact that there is frequently more specialization, differentiation, and job identification in management.

The completed study will include additional jobs in both labor organization and management. For that reason, the Industrial Relations Center will appreciate relevant materials describing jobs which readers of this bulletin may call to our attention. Further study will also involve a critical review and reappraisal of the stated personal qualifications required for these positions. It will include the analysis of jobs in more firms, agencies, and unions and the application of additional interviewing and testing techniques in the pursuit of reliable job information.

Special reference should be made to the charts included in the *Release*. The one outlining Industrial Relations Jobs in Business Organizations represents a combination of the organizational arrangements and structure of numerous concerns. The positions shown are those for which job descriptions appear in later pages of the *Release*. The graphic outline of Industrial Relations Jobs in Labor Organizations, on the other hand, lists the most important staff positions, indicates their relation-

ship to national, regional, or local labor organizations, and includes brief outlines of the jobs described in later pages.

Data on salaries have been pruposely omitted from all job descriptions for several reasons. The sample data thus far available to the staff are so limited as to be questionable as to their representative character. At the same time, salaries are changing so rapidly in this period of reconversion price adjustment that data might be worthless within a few weeks or months.

In addition to the members of the Advisory Council who have aided in this study, a number of individuals, firms, labor organizations, and government agencies have furnished information and otherwise assisted the staff.

// PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.
(President and Treasurer, CHARLES S. SLOCOMBE. Secretary, J. SLOCOMBE)
Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 25 *Number 7*

Contents for January 1947

CHARLES S. SLOCOMBE, *Managing Editor*
J. SLOCOMBE, *Circulation Manager*

The Huge Funds That Have Been Accumulated during Years of High Employment and Not Dissipated in Large Unemployment Payments Are Being Used in California and Rhode Island to Inaugurate Payments to Workers Becoming Ill.

Disability Insurance *in* California

By T. H. Mugford, California Employment Stabilization Commission, Sacramento, Cal.

Addition of the law establishing the Unemployment Compensation Disability Benefits program to the statutes of California has placed the State in the foreground as a pioneer in the expansion of legislation designed to strengthen the economic security of the people.

California cannot claim to be the first State to establish a system of insurance benefits for individuals who suffer wage losses because of illness or injury; that honor belongs to Rhode Island. But California is considered to be the real testing ground on which the feasibility and workability of an insurance system of this form will be determined. Other States throughout the nation are frankly interested in California's program, watching to see if this State, with its potentially eligible population of nearly four million working people, can successfully operate a sickness insurance system as an adjunct to its unemployment compensation program without additional cost to either the employer or the employee.

Purpose of Insurance

The basic purpose of Disability Insurance, as stated in the law itself, is to "compensate in part for wage loss sustained by individuals unemployed because of sickness or injury and to reduce to a minimum the suffering caused by unemployment resulting therefrom." By providing this type of protection to its working people, California is filling an important void in its over-all social insurance system. That over-all program had its inception more than 35 years ago when the original Workmen's Compensation Act was adopted. This law now provides medical care and wage loss indemnity to an employee who is injured on the job. Benefit payments to persons too old to continue working were established some ten years ago, and for the past eight years unemployment compensation has been paid to individuals who have become unemployed through no fault of their own.

It is obvious that the individual who suffers complete loss of wages as the result of illness or non-industrial injury is placed in a position equally hazardous, if not more hazardous, than the individual whose earnings cease because of involuntary unemployment. The California State Legislature recognized the necessity for correcting that situation and, consequently, amended the basic Unemployment Insurance Act by adding Article X to the law.

No Added Financial Burden

Significant to both employers and employees is the fact that the new insurance system will not add to the financial burden of either group. Disability Insurance is being financed by the one percent tax on their wages that employees formerly paid into the Unemployment Insurance Fund, but which since May 21, 1946, have been going into the new Disability Fund.

Contributions made by employers continue to go into the Unemployment Fund, and no increase was made in the amount of this tax. In addition to the money received from employee contributions since May 21, the Disability Fund also has available to it more than $103 million which represent wage-earner contributions during the years 1944 and 1945.

This amount was made available to the Disability Fund upon demand by the California Employment Stabilization Commission, as the result of legislation adopted last summer by the Congress of the United States. Because the Commission believes the annual income of the Disability Fund will exceed the yearly expenditures, it plans to hold the $103 million in reserve to meet any grave emergency which might arise in the future.

Basic Eligibility Requirements

Disability Insurance protection is given to all employees whose jobs are covered by the Unemployment Insurance Act, and who have earned a minimum of $300 during their base periods in those jobs. In addition to the requirement of minimum earnings, there are other basic eligibility requirements which must be met before the employee may be paid Disability Insurance. In the first place, his unemployment must be due to illness or non-industrial injury. The law specifies that the words "disability" or "disabled" include both mental or physical illness and mental or physical injury. The law further provides that an individual shall be deemed disabled in any week in which, because of his physical or mental condition, he is unable to perform his regular or customary work.

The second basic requirement for disability insurance eligibility is that the worker must file a claim in accordance with the regulations established by the Department of Employment. Claims for Disability Insurance are handled differently than claims for Unemployment Compensation. Applicants for Disability Insurance mail their first claim for benefit payments to the Sacramento office of the Department of

Employment, using claim forms furnished them by their doctors or by the local offices of the Department. Claims for continuation of payments for the same period of disability are mailed to the Disability Insurance office serving the locality in which the claimant resides.

Waiting Period of Seven Days

Claims for Disability Insurance may be filed by an individual who has been continuously unemployed and disabled for a period of 34 days, and they must be filed by the twenty-first day of the spell of disability. No compensation will be paid for the first week of disability, that week being known as the "waiting period."

The third basic requirement is that the applicant must file a physician's certificate verifying the disability. This certificate is a part of the first claim form and is filled out and signed by the attending doctor before the claim is mailed to the Department of Employment. Each applicant for Disability Insurance must be attended by or be under the care of a physician sometime during the first seven days of his disability. In addition to the physician's certificate of disability, the Department may, if it deems advisable, require the claimant to submit to an additional examination. This provision in the law is designed to eliminate malingering by giving the State a means of verifying the disability in questionable cases.

Recognizing the fact that many Californians observe religious beliefs which do not embrace the use of medicine, the Disability Insurance Act liberalises the requirement of a doctor's certificate for these persons. The law provides that if an individual adheres to the teachings of a bona fide religious organization which depends on prayer or spiritual means for healing, the Department will accept the certificate of a duly accredited practitioner of that faith in lieu of the physician's certificate.

Osteopaths and chiropractors holding valid, unrevoked licenses to practice in California also may sign the certificate of disability.

Own Doctor May Be Selected

It is highly noteworthy that the law does not require a claimant to be attended by a specified physician. The individual has the right of complete freedom in selecting his doctor. Only in the event the Department of Employment finds it necessary to require an additional examination of the applicant does the State select the examiner.

Although there is a very pronounced difference between Unemployment Compensation and Disability Insurance, the benefits payable under both systems are identical, except for one limitation. Weekly rates will vary within the limits of $10 and $20, depending upon the individual's average wages. The total amount of benefits payable within a single benefit year also varies and is determined by the total wages earned by the applicant during his base period. If the total earnings are only the minimum $300, he would qualify for a maximum of $160 during his

benefit year. If his total earnings equal or exceed $2,000, he would qualify for the maximum of $468. The complete schedule of weekly rates and total amounts is contained in Sections 53 and 54 of the Unemployment Insurance Act.

Benefits from More Than One Source

The one limitation referred to concerns the total amount of both Unemployment Insurance and Disability Benefits which an individual may receive during the same benefit year. An employee is entitled to benefits from both types of insurance, but he can not receive the full amount of both benefits during the same year. The law allows only 150 per cent of the award for either benefit to be paid to a person receiving benefits under both programs. Nor can payments for one insurance alone exceed 100 per cent of the award for that program.

Although payments under both forms in insurance will be made during the same year, they canot be made during the same week.

Disability Insurance payments will be made every two weeks, except in cases where the claimant specifically requests weekly payments. Benefits may be continued for as long as 23.4 weeks if the claimant's wage credits are sufficiently large and he remains eligible in other respects. However, the length of time during which benefits may be paid is also subject to the limitation imposed on total payments made under both forms of insurance. There are no restrictions as to the number of separate spells of disability for which an individual may claim benefits, but a waiting period of one week must be served for each separate period of disability.

Bona Fide Illness

Care was taken by the Legislature to prevent unwarranted payment of benefits and payments under more than one form of insurance. The same disqualifications in regard to Unemployment Insurance are also applicable to Disability Insurance. However, the Employment Stabilization Commission may award benefits if it finds the claimant is suffering from a bona fide illness or injury and that there is good cause for paying the benefits. Major reasons for disqualification directly applicable to Disability Insurance are making false statements in order to obtain benefits and failure to be attached to the labor market.

Disability Insurance will not be paid a person who receives or is entitled to receive Unemployment Compensation from any other State, Workmen's Compensation, or Servicemen's Readjustment Allowances. Under ordinary circumstance a person who is receiving his regular wages during a period of illness is not entitled to Disability Insurance. However, if the wages he does receive are less than he would be entitled to in benefit payments, he will receive the difference between the two amounts.

Voluntary Plans

A particularly significant aspect of the Disability Insurance system is the provision of the law granting employers, or employee groups, the privilege of estab-

lishing their own program for paying benefits. This type of program is officially called "Voluntary Plans" and present indications are that many employers in California will take advantage of this opportunity to enhance their labor relations programs.

Certain requirements are set forth in the law covering voluntary plans, which are designed to safeguard the rights of the employee. But it is obligatory upon the Employment Stabilization Commission to approve a plan if all these requirements are met.

The requirements are:

1. The rights afforded the covered employees are *greater* than those provided by the State's plan. A voluntary plan must meet the State's standards in regard to the weekly rate of payments, duration of benefits, eligibility for benefits, and cost to the employee, and must provide a greater benefit in at least one of these factors.

2. The plan must be made available to all of the employees. If the employer has more than one separate establishment within the State, the plan may cover one or more of the separate establishments without covering all of them.

3. The majority of the employees must consent to the plan.

4. The State Insurance Commissioner must approve the form of the insurance policy, if one is used. The policy must be issued by an admitted disability insurer.

5. The employer must consent to the plan and agree to make whatever payroll deductions are required.

6. The voluntary plan must provide for the inclusion of future employees of the concern operating the plan.

7. The plan must be in effect for a period of not less than two years, and thereafter continuously unless legally terminated.

8. The plan must not result in a substantial selection of risks adverse to the Disability Fund.

Standard Form Available

The Employment Stabilization Commission has prepared a standard form on which applications for approval of a voluntary plan must be submitted. This form may be obtained upon written request to the Department of Employment in Sacramento.

Voluntary plans may be financed entirely by the employer, thus eliminating the necessity of deducting the one percent contribution from the employee's wages. Or, the one percent contribution may be used to defray the cost of the disability benefits provided in the plan. But in no event may the worker's contribution to the disability insurance provision of a voluntary plan exceed one percent of his wages.

Establishment of a voluntary plan eliminates the payment of the wage-earner's contribution to the State Disability Fund. But employers are cautioned not to discontinue collecting and reporting the wage-earner's contributions until they have received official notice from the Commission that their voluntary plan has been approved, and an effective date set.

Extended Liability

The "extended liability" accounting system plays an important role in the administration of the voluntary plan program. It provides a method of protecting the Disability Fund from losses resulting from heavy payments of benefits to persons who have earned part or all of their wage credits while working for employers maintaining voluntary plans. The extended liability account of an employer will be charged with his proportion of the benefits paid to an individual formerly in his employ who filed a claim for disability insurance while unemployed. Otherwise, the voluntary plan employer accepts the whole responsibility of benefits paid to his disabled employee even if that individual had earned part of his wages while covered by the State's plan. And, conversely, if an individual who earned part of his wage credits under a voluntary plan, but files his claim for disability insurance while employed and covered by the State's plan, the State Disability Fund will bear the entire cost of the benefits.

The California Employment Stabilization Commission will assess employers operating voluntary plans their pro-rated portion of the cost of added administrative work arising out of the voluntary plan system. The amount assessed will not exceed .02 percent of the amount of wages paid to individuals participating in the voluntary plans.

Voluntary plans which are instigated by employee groups are subject to the same rules covering approval, including the specific consent of the employing unit.

No Merit Rating

Merit ratings form an important element in the Unemployment Insurance system, but they play no part in Disability Insurance. No payments of disability benefits are charged against an employer's unemployment experience rating account.

It is the policy of the California Employment Stabilization Commission to encourage the adoption of voluntary plans of disability insurance. That policy is based upon the belief that to the extent private enterprise can do a better job of providing for people's needs, the government should retire from the field. Voluntary plans, by offering greater benefits to the employee, provide more protection to the wage-earner than he has under the State's plan, and is thereby accomplishing the purpose of the law to a greater extent than does the State's system.

All of us are concerned with the proper and effective operation of this new form of security insurance. We have tried to develop a system that will avoid red tape, make payments promptly to eligible claimants, and provide effective safeguards against malingering and other abuses. We of the Department are determined that this new project will be administered in a manner that will be a credit to the State of California.

From an address before the California Personnel Management Association, November 25th, 1946

Americans Are the World's Most Incorrigible Planners. One Plans to Sell His Hogs for a High Price and Buy a Tractor at a Low Price, Another Sells His House for a High Price Planning to Build a Newer One Right Away at a Lower Price, Etc. Hence They Get Nowhere Fast.

Planning *in* Britain

By Rt. Hon. Herbert Morrison, Westminster, London, England

We talk a great deal these days about planning, but planning is a very large and complicated business. Britain is the first great nation to attempt to combine large scale economic and social planning with a full measure of individual rights and liberties. So far, we are still at the experimental stage and I shall try to give you some idea how this experiment is shaping.

In the cockeyed economy of the thirties, people used to imagine that the great problem was how to abolish unemployment: in the clearer light of the middle of the century, we know that even full employment will not be enough—we must also secure a greater output of goods and services all round if we are going to have a decent standard of life and fair shares for all, coupled with adequate incentives for effort.

I would put this problem of increased productivity first among current economic problems to which planning must help find the answer. The second problem which I look to planning to solve is the organised extension of our national vision several years further ahead than we have been accustomed to look. You really cannot run a complicated modern civilisation on a basis where the whole machine is crazily accelerated for a few months and then has to swerve violently or be braked almost to a standstill because some perfectly foreseeable snag or fluctuation has not been foreseen and tackled in time.

Five Stages

Planning can be divided logically into five stages: the first, without which none of the others can happen, is making up one's mind to plan and grasping what planning means. The second is assembling the necessary facts and forecasts to make sure that

a plan can be put on a sound, practical basis. The third is devising alternative plans and seeing what each offers and costs in terms of resources and disadvantages.

The fourth is taking decisions between alternative plans, including the decision as to what is to be planned and what left unplanned. The fifth and far the most extensive stage is carrying out plans in practice. This includes explaining them, adjusting them and devising all the necessary ways and means of ensuring that what was planned on paper does happen at the right time in the right place and in the right way.

The Muddled Outcome of Muddle

I suggest that the first vital stage was when the British people made up their minds to plan. A modern nation which is not prepared to plan is like a country which expects to win a war without mobilising. It is no less impossible to achieve social and economic wellbeing without planning and working for it. Unemployment and destitution were in the main the products of letting things drift—the muddled outcome of muddle.

All our machinery and methods of planning are based on the express willingness of Parliament and a very large number of citizens in all areas and activities to support and participate in social and economic planning and to censure Ministers and public authorities if they plan wrongly or fail to plan where they ought. Let no individual forget that he has responsibilities in planning no less than Ministers.

Given the will to plan, the next stage has been to ascertain and assemble the facts. Fact finding is immensely complicated. In the past, the Government made the worst of both worlds by demanding a mass of information useful only for limited purposes and did not fit it together. The need now is for facts and figures to give all concerned a clear and up-to-date picture of what is happening, with the minimum of effort.

Information Needed

Before planning decisions can be taken, we have to know what the millions of businessmen, farmers, workers and others are making, growing and distributing. Statisticians have to ascertain how many people there are in the country, where they are, where they live, how many are of working age, how many are employed in what occupations, industries, grades and so forth.

Information has to be compiled on the amount of fuel and raw material used in industry, the value of the products made and sold with the resulting earnings and profit. For many purposes the survey must be widened out to cover not only Britain but the world background. All this information has to be available promptly and adequately so that any changes can be picked out without delay. On this basis, forecasts are prepared of what will happen to production, incomes, employment and so forth if the current trends continue.

All this corresponds to the work of the Intelligence in the Armed Forces. In peacetime machinery, these facts are collected by Government Departments, public boards, local authorities, trade associations, trade unions and many other bodies, and most of the key material is eventually funnelled into the Central Statistical Office—part of the Cabinet Offices created during the war to produce a systematic picture of what is taking place.

The outline of this picture can be seen by anyone who gets a copy of the "Monthly Digest of Statistics," published by the Stationery Office at the end of each month. Much more detailed material is given in the Board of Trade Journal, the Ministry of Labour Gazette and other well known sources. The wartime statistical blackout is a thing of the past; we can claim to be well launched on the campaign for statistical floodlighting.

Examining the Facts

Given the will to plan and the necessary facts and forecasts, process planning in the strict sense can begin. This consists in looking at the facts and forecasts and examining the possibilities of changing socially undesirable trends. So far we have been forced to concentrate so largely on passing short-term problems that we have hardly begun to get the benefit of the scope that long-term planning will give for broad adjustments decided in advance.

As an example of short-term planning, forecasts of coal production may indicate that, if the number of miners we expect to have produce the expected amount of coal, there will not be enough coal to go round, factories will have to shut down and houses go unheated. In such cases, the plan must not merely consist of rubber-stamping the forecast—more men must be found, or the output from existing man-power must be stepped up, or means must be found of economising the use of coal.

In other cases, forecasts may show that an industry is likely to export more or less of its product than is considered desirable. Given that we have to export enough to earn a certain amount of foreign exchange, we may have the choice of earning more by exporting turbo-generators and keeping all the shirts we make at home or, alternatively, pushing the export of shirts and re-equipping our power stations with turbo-generators. The Departments representing all the main demands on our resources put in their claims and see to what extent they conflict. Where there is a direct conflict, one or another has to give way.

Stage of Decision

The fourth stage is taking decisions. Staffs engaged on planning, work out in consultation the various possibilities and try to point out the snags and advantages of each. On this basis, Ministers decide on the strategy of the use of the national resources. For example, what size Army, Navy and Air Force can we afford to, or must we keep; what level will exports reach; what claims must be cut down or postponed to keep the total demand on our resources within the limits of the re-

sources available? Here follows the most important and far-reaching stage of all, when the Ministers, having made their decisions, come before Parliament and the nation and set in hand the task of carrying out those decisions.

Execution of the Plan

Carrying out economic plans is a job not simply for Government agencies, but of the whole nation. By informing the public of the trend of the economic situation, by making known Government policies as to the best allocation of available resources, by promoting discussion and revising estimates and forecasts, the Government may do much to shape the future course of economic affairs. It ensures that industry and agriculture shall be able to look confidently ahead and form expectations on explicit assumptions which can be tested and criticised, instead of on a vague hunch.

The prospect of realising the Government's plans will be seen, then, to depend on a number of factors, such as the Chancellor's annual Budget, his control of credit policy through the nationalised Bank of England, his control of investment policy through the Capital Issues Committee and other channels. The extent to which Government Departments and nationalised boards can speed up or retard development plans is another and most important factor in resisting tendencies towards inflation or trade recession.

Another example: the control of industrial location exercised by the President of the Board of Trade through the Distribution of Industry Act and town and country planning enables the Government to prevent industry from flocking to certain areas with adverse social and economic effects, while masses of citizens in other areas are unemployed.

National Co-operation

But when a full account has been taken of all the instruments at the Government's disposal, the fulfilment of the major part of economic plans is dependent on the action of the employers and workers generally. For that reason alone it would not be enough for control by blind forces to be replaced by control by a few people sitting in Whitehall. Everyone must be encouraged to understand at least in outline the nation's economic position, the aims of economic plans and the part every citizen should play in criticising those plans before they become operative and in carrying them through afterwards. Thus only can we ensure a developing system of planning from the consumer end, and planning must be inspired from the consumer end if it is not to be bureaucratic and inefficient.

As we believe in a free society, we must have courage and convictions and trust people to achieve more by understanding and backing an agreed plan than other nations might achieve by carrying out under orders a plan dictated by their rulers. We in Britain stand for free planning and for planning as a means to fuller freedom; I am convinced we shall get it.

Machinery of Planning

The central piece of machinery to assist the Cabinet in planning is the official Steering Committee, representing the key economic Departments, together with the economic section of the Cabinet Office, the Central Statistical Office, and my own office (Lord President of the Council). The Steering Committee forms a central economic team responsible for gathering and assessing economic intelligence, preparing forecasts on farming and economic plans, advising Ministers thereon and reviewing the execution of plans when authorised and put into operation.

The Steering Committee is assisted by a number of Working Parties. One estimates the total man-power available, and the forward distribution of man-power, on various assumptions. Another assesses the forward demand for expenditure in the investment field, and devises the means of holding back investment which is inessential or can be deferred, while ensuring that a reserve of non-urgent investment projects is built up for rapid execution—for example, if the tendencies towards trade recession and unemployment should become significant in the world. Another Working Party watches import needs and methods of paying our way by visible and invisible exports. The material produced by the Working Parties is put together in trial balance sheets of man-power, national income and expenditure, and overseas payments and receipts.

Balance Sheet of Man-power

The balance sheet of man-power shows the available supply in comparison with the sum of all the various demands for man-power resulting from current departmental programs and policies in the various economic fields. Similarly, the national income and expenditure balance sheet shows the value of the available national product and, in pounds, shillings, pence, the sum of the various demands which current departmental programs and policies would make on that product.

These trial balance sheets naturally show a gap between demands and available resources. One of the greatest differences between planning and laissez faire is that in laissez faire it is no one's business to forecast this gap, which is left to close itself under the uncontrolled interplay of economic forces, whereas planning throws a spotlight on the gap and then arranges to close it in the way most advantageous to the national interest by measures taken by the Government or on Government initiative. Decisions relating to closing this gap are perhaps the most important immediate decisions which have to be made. For example, the man-power gap for 1946 had to be closed to a large extent by cuts in the Services and in industries working on their supplies.

Ways of Closing Gaps

Man-power gaps are of course not an isolated problem but an expression in terms of man-power of much the same gap which shows itself in the national income and expenditure balance sheet as excess of value of anticipated demands of all

kinds over the value of the prospective national product. Therefore, if we cut the number of men serving in or working for the Forces, we automatically reduce the expenditure on these sectors and release man-power to expand civil production, thus narrowing the gap between demands and resources both in terms of man-power and of the value of the national product; but we do not forget that the state of the world might make it vital to step up provision for the Forces, in which case the necessary economic adjustment would have to be made.

Similarly, if we cut investment, say in public works construction, we automatically reduce the man-power demand as well as the money and the demand for resources in that sector and thus help close the man-power gap as well as the gap between the value of the available national product and the various demands which are programmed to be made upon that product.

Manning Up Undermanned Industries

The difficulties are often emphasized of planning effectively while sweeping away controls over labor and reducing or eliminating many of the war-time controls over industry. These difficulties are of course much more acute in a time like the present, when we have inherited from the war period serious maldistributions of man-power, which could only be quickly corrected by more drastic measures than the citizen should be asked to tolerate in time of peace.

As we get through the reconversion and transition state, the number and scale of these problems can be expected to diminish. Often, moreover, there are several alternative ways of achieving the desired result. There are well tried instruments of government whose use can be adjusted to assist the fulfilment of a plan. The art of government is to achieve a result by the most economical, efficient and acceptable means. The Steering Committee, having assembled its balance sheets with a mass of supporting material in every field, reports to the Ministers, who study the economic tendencies and forecasts and take decisions on the plans to be adopted. To a large extent the actual execution of these decisions is a matter for individual Ministers dealing with a particular branch of economy such as coal, building, transport or agriculture.

There are, however, some difficult and rather intangible problems which range over a wide field. For example, there is the problem of manning up undermanned industries and of levels of wages in conditions of full employment. The Government is therefore developing machinery for tripartite contacts between itself, organised employers and organised workers through the National Joint Advisory Council, which is convened by the Minister of Labour and will serve as a standing national industrial conference on matters affecting man-power in industry.

Productivity the Key

The Government is also arranging for widespread publicity on the objectives and problems of economic planning, and particularly on the inescapable fact that

all the collective and individual elements in the British standard of living ultimately depend on productivity. The more productivity increases, the more prosperous the nation will be, and, from the planning point of view, fewer difficult priority problems will arise, and more latitude can be left to the individual and to industry.

No less is it true that, if production falls or stagnates, the cheques, which the nation has already drawn on the future in the form of increased wages and salaries, reduced hours, increased social services and a higher school leaving age, cannot be met. We need higher productivity even to make good our losses and to cover commitments already made. It will have to be higher still before additional commitments can safely be assumed.

Limits of Planning

We know approximately how many people there are going to be in this country at least five years ahead, and we can estimate within wider margins of error how many houses they are going to need at a given housing standard, how much clothing they are going to need as a decent minimum, and how much food they are going to need if they are to be properly nourished.

It would be foolish to suggest that we can forecast the exact demand and supply. On the other hand, for some purposes useful decisions can be made on estimates which are known to be subject to variation, and in these cases it would be unjustifiable to refuse to make up our minds until we have everything worked out to two places of decimals.

How many people have considered how much difference every improvement in forecasting and planning will make to business and employment? Security of employment in modern business depends on successful forecasting of markets, profits depend very largely on increased turnover, which in turn depends on reduced costs, which in turn depend on the placing of large orders for long runs of standard products, instead of constantly chopping and changing with every economic breeze that blows.

Horrors of the Uncontrolled and Unforseen

I suggest to you that in a few years' time people looking back will be amazed to see how much was written about the restrictive and bureaucratic dangers of planning and how little was understood about the part which planning could play in freeing employers and workers and farmers from the horrors of uncontrolled and unforeseen fluctuations which might bankrupt honest men in all directions and leave the workers lining the streets with despair in their hearts.

Closely related to this problem of pushing the horizon further ahead of us, and giving us more time and elbow room to work in, is the problem of maintaining a reserve of orders for industry and of work for the workers to free the nation from fears of uncontrollable recession. At present there is a considerable excess of de-

mand over available resources; and the machinery which we are building up, for looking ahead to see how total demands match with total resources, is at present used as a means for achieving a more rational pruning of demands, all of which cannot be met in total.

But when the present period of acute shortage is over, we may be threatened again with a general decline in total demands for goods and services which, if uncontrolled, would bring with it again the evils of depression and mass unemployment. The same technique of looking ahead at total available resources and total demands which are likely to be made upon them, should enable us to foresee the threat of such a general decline in demand in sufficient time to take adequate steps to offset it, at least in great measure.

Stimulating Consumer Demands

We should have, and we shall have soon, a long list of projects for building roads and railways, for afforestation schemes, ports, airfields, industrial plants, national parks, public building and so forth, all blue-printed and prepared and waiting for investment and man-power resources to be made available to carry them out. We are also preparing our plans for methods whereby the ordinary consumer's demand for goods and services can be stimulated in times when there is a general slackening off of demands and a consequent threat of unemployment.

It is the intention of the Government to ensure that, in times when our resources of men and capital would otherwise be idle or underemployed, a useful demand for their services is in fact found. The knowledge that there is a queue of deferred capital projects, and that there are devices at hand for maintaining, or if necessary stimulating, the ordinary citizen's demand for goods and services, will, I think, have a marvelously heartening effect on industry. By failing to get future demands sorted out into definite projects, and to take measures to maintain a general demand for goods and services, we have in the past imposed an enormous economic waste, and an enormous burden of insecurity, upon industry, which can be removed.

I have not time to give further examples of the problems in front of planning, and indeed many of them will be familiar to you. I should simply like to emphasize that planning, as it is taking shape in this country under our eyes, is something new and constructively revolutionary which will, I think, be regarded in times to come as a contribution to civilisation as vital and as distinctively British as Parliamentary democracy and the rule of law.

Some people dogmatize about planning and say that planning is this and planning prevents that; my own view is that planning, informed by British political sense and British resourcefulness, will be something very different from what many of the writers and speakers dreamed of. It will be something to which all of us can contribute and something from which we will all draw benefits.

Business at Present Has a High Score for Its Courtesy Towards Clerks Applying for Jobs. Is It Equally Good for Shop Workers? Will It Keep up the Good Work When the Labor Market Is Not So Tight?

Reception *of* Clerical Job-seekers

By Philip H. Kriedt and Donald G. Paterson,
University of Minnesota, Minneapolis, Minn.

Attitudes of clerical workers toward employment agencies may be useful in evaluating the present status of public employment offices, private employment agencies, and employment departments of companies. All three types of employment agency have been in existence in the city of half a million, where the present survey was made, for a sufficient length of time to permit each to reach a fairly stable level of operating efficiency.

In conducting the present study, opinions were obtained in May 1946 from 284 recently employed clerical workers (hired during the preceding six months). A total of 355 blanks were distributed to such employees in twenty fairly large organizations (banks, insurance companies, department stores, flour processing companies, manufacturing concerns, and public utilities) with the request that the blanks be filled in anonymously with complete frankness. Thus, there was an 80 per cent return.

Study Described

The general sample may be described as follows: 244 women: median age = 21; median experience on present job = 3 months; median experience in clerical work = 3 years. 40 men: median age = 26; median experience in present job = 3 months; and median experience in clerical work = 3 years.

The source of present job for the 284 workers was: Public Employment Office, 7 per cent, Private Employment Agency, 18 per cent; and Company Employment Department, 75 per cent. Job seeking experience with these agencies was as follows: Public Office, 58 per cent; Private Agency, 53 per cent; and Company Department, 93 per cent.

In drawing up the questionnaire, each question was so worded that no worker was forced to answer in the absence of information or experience. Furthermore, provision was always made for a "no opinion" answer for those who desired to

refrain from expressing a definite opinion. Analysis of the returns indicated that these workers were conscientious in answering because those who had never applied to one or another of the three kinds of agency used the "no opinion" answer as they should.

In the present report, the returns for all 284 respondents are listed along with the returns for the 106 workers who had had experience with all three kinds of agencies. The results for each question are reported in terms of percentages.

Question 1. In your opinion, which offers the best opportunity for getting work, the private employment agency, the public employment office, or the employment departments of companies which hire their own employees?

	PRIVATE	PUBLIC	COMPANY	NO OPINION
All workers (N = 261)	24%	7%	58%	11%
Workers using all three (N = 102)	34	8	52	6

It is apparent that these workers believe that the company employment department is best and the private agency is next best. The public employment office is least highly regarded. These percentages correspond fairly well with the previously noted breakdown of actual sources for present job. These figures suggest that opinion is based in large part on actual job getting experience.

Comments on Private Employment Departments

Sample comments from those favoring the company employment department were: "In times when enough work is available, the company employment offices give the best and quickest service. In depression times, public or private agencies get better results"; "They are more capable of deciding whether or not the person applying is suited to the particular job"; "One gets a definite answer at the company"; "The company knows just what they want. They are much easier to deal with"; and "I'd rather obtain my own interview than work through an intermediary."

Sample comments from those favoring the private agency were: "They have more of a selection of jobs"; "Private agency gives you individual attention"; "Private agency if you want to spend less of your own time looking for a position"; "Private agency if you are in a hurry, if not the company is better"; "Private agencies do more for the individual because their survival is involved."

Sample comments from the few who favored the public employment office: "The public office has contacts with many companies that have a variety of jobs"; "Public office has greater variety of work to offer since its openings are a composite of numerous employers' requirements and are not limited to one company."

Adverse Comments

One adverse comment on the company department was: "O.K. if you know the right people."

Adverse comments on the private agency were: "Not as interested in placing you in the job you are best suited for"; "Private agencies expect you to accept any job available"; "Private agencies place you at a high salary whether you are qualified or not in order to get a higher fee"; "They take part of your salary."

Adverse comments on the public employment office were: "The public office takes too long"; "USES is too busy with other activities such as unemployment insurance", "Employers don't use USES"; "USES only wants to place you, doesn't care how well"; "USES is too large and impersonal"; "Have found people in public agencies to be rude, uninterested, and uncooperative not only to myself but to others while I was waiting in line"; "It is objectionable to be pushed around at USES as is the present case"; "Public office very indifferent, too many people to give individual attention"; "Public office is difficult in that most positions I have been sent on, two or three persons have been sent ahead of me and in time you grow discouraged being sent to supposedly vacant positions which are filled"; "It took three weeks before I heard anything from the public office"; "Public officials get a regular salary whether they place people or not."

Interested or Indifferent

Question 2. In general, have you found private employment agency interviewers to be interested, indifferent, or discourteous?

	INTERESTED	INDIFFERENT	DISCOURTEOUS	NO OPINION
All workers (N = 282)	46%	12%	1%	41%
Workers using all three (N = 106)	71	22	1	6

Question 3. In general, have you found public employment office interviewers to be interested, indifferent, or discourteous?

	INTERESTED	INDIFFERENT	DISCOURTEOUS	NO OPINION
All workers (N = 273)	29%	30%	4%	37%
Workers using all three (N = 103)	38	50	7	5

Question 4. In general, have you found interviewers in company employment departments to be interested, indifferent, or discourteous?

	INTERESTED	INDIFFERENT	DISCOURTEOUS	NO OPINION
All workers (N = 282)	87%	7%	0%	6%
Workers using all three (N = 103)	87	9	0	4

It is apparent that a substantial majority of these workers rate company employment department interviewers as being "interested" with no instances of discourtesy being recorded. Private agency interviewers are rated only slightly less favorably. Ratings of public employment office interviewers, on the other hand, are

far less favorable. In fact, 57 per cent of the workers who have used all three kinds of agencies rate public employment office interviewers as being "indifferent" or downright "discourteous."

Public Offices Must Do Better

It would seem that those responsible for the supervision of USES interviewing need to give far more attention to cultivating good applicant relations. Although these results apply only to the local USES personnel, there is no reason to believe that the results would have been more favorable in other parts of the country. On the other hand, the results are such as to indicate the desirability of making similar studies elsewhere to determine typicality. It is possible that the USES in general needs to adopt a vigorous program of developing in its personnel a desire to elicit and a competence in eliciting favorable applicant attitudes.

Question 5. In your opinion, how much effort do private employment agencies make to place people like you in the right job?

	A GREAT DEAL	SOME	VERY LITTLE	NO OPINION
All workers (N = 280)	29%	29%	7%	35%
Workers using all three (N = 103)	40	46	10	4

Question 6. In your opinion, how much effort does the public employment office make to place people like you in the right job?

	A GREAT DEAL	SOME	VERY LITTLE	NO OPINION
All workers (N = 271)	11%	34%	20%	35%
Workers using all three (N = 104)	10	52	32	6

Question 7. In your opinion, how much effort do employment departments in companies make to place people like you in the right job?

	A GREAT DEAL	SOME	VERY LITTLE	NO OPINION
All workers (N = 277)	60%	30%	5%	5%
Workers using all three (N = 104)	64	25	5	6

Again, the answers rate the company employment departments and private employment agencies ahead of the public employment office.

Use of Tests

Question 8. Did the agency or office which got you your present job administer any tests to you?

	YES	NO
Obtained job through private agency (N = 51)	21%	79%
Obtained job through public office (N = 19)	38	62
Obtained job through company dept. (N = 203)	60	40

The answer to question 8 indicates that the majority of the companies sampled give tests to applicants for white collar work. This probably reflects the fact that the sample of twenty firms consisted primarily of large companies which have well organized and progressive employment departments. It is surprising that only 38 per cent of the small number of clerical workers who obtained their jobs through USES report that they had been given tests. It is surprising in view of the fact that this local office has a testing and counseling division manned by experienced psychologists and that the introduction of testing programs in the USES throughout the country began with the provision of proficiency tests for typists and stenographers. It is quite apparent that the private employment agencies rely primarily on interviews and records of schooling and prior employment history.

Limits of Present Study

It is important for company employment departments, private employment agencies, and local public employment offices to be aware of workers' opinions toward their several services regardless of whether or not such opinion is favorable or adverse, well founded or superficial. It is suggested by the writers that it would be well for personnel workers in a given area to secure the cooperation of neighboring colleges and universities in making impartial surveys so that a body of "opinion" knowledge can be rapidly accumulated and could be used in staff training. The present report is presented primarily as a study of a method which can be used to evaluate the situation in any given community.

The present study is definitely limited. It samples opinions of clerical workers only and is limited to a single city. The data, for example, apply only to one USES local office out of the 1,700 USES offices in the country. They apply to only a small number of private employment agencies out of the thousands in existence, and they apply only to about twenty large and progressive company employment departments out of the tens of thousands in existence in the United States. Nevertheless, there is reason to believe that the method of evaluation used provides a pattern that can be widely applied and should be widely applied in order to come to grips with a vital personnel problem confronting personnel workers everywhere.

Summary and Conclusions

The present study reports opinions about three kinds of employment agencies which were obtained in May 1946 from 284 recently employed clerical workers (hired during the preceding six months) in twenty business and industrial organizations in a city of half a million. The 284 replies represented an 80 per cent return.

1. The bulk of these workers (75 per cent) obtained their positions through company employment departments. Eighteen per cent of them secured their jobs through private employment agencies and only 7 per cent obtained their jobs through the local office of USES.

2. The answers of the 284 clerical workers are analyzed in this report but chief

reliance is placed on the answers of the 106 who had applied for work at all three kinds of agencies.

3. The majority (52 per cent) believe that company employment departments afford the best opportunity for getting work. A third (34 per cent) believe that the private employment agency is best and only a small percentage (8 per cent) believe that the public employment office is best. These answers are about in line with the experience of these workers in securing clerical jobs.

4. The services of public employment offices were subject to much more adverse criticism than those of either the private agencies or the company employment departments. Although these criticisms may reflect the usual hostile attitudes of Americans toward bureaucracy, nevertheless, it is likely that the criticisms also reflect real differences in the quality of services rendered. Labor turnover among USES interviewers is known to be high in the city studied because of low salaries. This fact alone is admittedly a distinct handicap to the USES program.

5. Interviewers in company employment departments are rated as being "interested" in applicants by 87 per cent of these clerical workers. The corresponding figure for interviewers in private employment agencies is 71 per cent. Only 38 per cent rate public employment office interviewers as "interested." On the other hand, a majority of these workers (57 per cent) rate USES interviewers as "indifferent" or "discourteous." These results suggest the need for the USES to intensify its efforts to cultivate better applicant relations.

Studies Should Be Repeated and Broadened

6. Sixty-four per cent of these workers believe that company employment departments make a great deal of effort to place clerical workers in the right job. The corresponding figures were 40 per cent and 10 per cent for the private agencies and the USES respectively.

7. Of those who obtained jobs through company employment departments, 60 per cent report that they were given tests at time of application. The corresponding figures were 38 per cent and 20 per cent for the USES and for private agencies respectively.

8. Similar surveys, if made in different parts of the country and if made at five year intervals, would provide a useful picture of the status and the progress or lack of progress being made in the operation of company employment departments, private employment agencies, and public employment offices. It should be noted that this study samples the opinions of clerical workers only. Such surveys should be broadened to cover all of the main classes or types of workers.

The Mainspring of Action of the Leaders of Industry Is Supposed to Be Financial Reward in the Form of Big Salaries and Big Profits on Their Labors. This Ought to Be a Good Enough and Proper Incentive for Workers Too.

Review *of* Personnel Progress

By Lewis K. Johnson, Washington and Lee University, Lexington, Va.

The development of formally organized personnel programs dated from the first World War. Conditions were propitious at that time to encourage initiation of the personnel movement. Production was greatly expanded by the enormously increased demand from Europe for American-made goods, the labor market was "tight", unions were growing in strength and labor was growing restive. Faced with these conditions, management sought ways to obtain adequate supplies of labor, reduce labor costs and turnover and to improve the morale of employees. It is trying to do the same thing again today. Will it repeat the same mistakes?

Pioneering Experience

Some companies, in the role of pioneers, hired specialists, presumably thoroughly versed in handling personnel, to assume the responsibility for organizing and directing all matters which pertained to providing an efficient, cooperative and loyal working force. Since there were few practical people with experience in the field, management had difficulty in employing qualified personnel executives. It has been reported that a number of the first specialists in personnel work were employed from educational and philanthropic institutions, and that many of the early mistakes in personnel management resulted from their academic and pro-labor points of view. While do doubt there is truth in the report, unquestionably some of the difficulty resulted from the lack of sincerity on the part of management who, in some instances, inaugurated personnel programs for the purpose of circumventing unions rather than to provide better working relationships with their employees.

That mistakes were inevitable during the formative period is not at all surprising. Organizational difficulties are frequently encountered when personalities are affected by changes in functions. This is clearly illustrated by the reorganization of methods of employment and discharge.

Prior to World War I, a few companies had functionalized the hiring and firing activities and delegated them to specialists, but for the most part the right to hire and fire was decentralized among the foremen. However, in spite of the fact that the foremen lacked adequate knowledge, training and time to handle such important functions, enjoyment of these prerogatives over the years made many reluctant to relinquish them. Nevertheless, personnel men, observing favoritism, discriminations and inefficiencies, and desiring to improve employment methods transferred the authority to hire and fire from the foremen to the newly created personnel departments.

While the need for centralization was evident, failure to recognize foremen's prerogatives, plant traditions and practical operating conditions when the functions were centralized often led to friction and lack of cooperation between the personnel department, foremen and line executives. As a result of difficulties such as those just described, personnel management during World War I is said to have been greatly discredited in the opinions of many top ranking executives.

Hard Struggle

Many explanations have been expressed relative to why personnel management failed in its major objectives during the formative period. There are those who place the blame upon the pro-labor and academic people employed in the field. Others attribute the difficulty to suspicions and distrust on the part of foremen and line executives who resented organizational changes which threatened their authority and maintenance of discipline. Top management has often been blamed for failure to adequately support personnel executives and for inaugurating personnel programs to head off unions. Still others contend that personnel executives who had an overly-sympathetic attitude towards workers were responsible for the trouble. No doubt all played a part in causing friction and lowering the prestige of the personnel function.

From what has been said, it is evident that personnel management, as a specialized field, faced a hard struggle for professional recognition during World War I. The struggle, in part, was caused by overcentralization of the line personnel functions in the personnel department. Also by superimposing the personnel department upon the operating organization structure without first laying a sound foundation by education and training to properly assimilate the function in the enterprise. The problem was complicated further by failure to clearly define the relationship between the personnel and operating departments.

Personnel Management Gains Recognition

During the course of events, however, management developed ways to provide a more adequate foundation upon which to plan the personnel program. For example, practical men with years of plant experience were placed in personnel jobs. As a result, greater respect for plant traditions and the authority of the foremen and line executives was encouraged. Foremanship training courses were inaugurated to indoctrinate supervisors with leadership fundamentals and greater appreciation for the objectives of personnel management. The position of the personnel department was more clearly defined as a staff organization established to plan personnel objectives, formulate procedures and, in general, to advise and assist the foremen and line executives in handling personnel problems. Finally, application of the principle of decentralizing the line personnel functions and centralizing the staff functions led to greater cooperation between the operating organization and the personnel department.

The changes inaugurated by the new approach resulted in return of the ultimate responsibility for hiring and firing to the foremen and their superiors. The staff employment functions, however, such as preliminary interviewing, testing, placement, promotions, transfers, adjustment of wage rates, development of service records, control of absenteeism and tardiness and the maintenance of other personnel records were centralized in the personnel department. In this way the ultimate authority of the foremen to determine who should work under their supervision was protected and discipline maintained. Similarly, the right to discharge an employee from an operating department was decentralized among the foremen, but workers were protected against unwarranted discharge from the company by termination interviews centralized in the personnel department. Under this arrangement, the personnel department was enabled to record the causes of quits, layoffs, and discharges and to inaugurate techniques to minimize labor turnover, reduce discriminations and favoritism and to protect workers against incompetent and arbitrary supervisors.

Personnel Functions Expanded

With the passage of time, as personnel executives worked through rather than around the line organization, and rendered valuable assistance to foremen and line executives, greater respect for and cooperation with the personnel department evolved. Once the position of the department was made secure, personnel executives turned their attention to improving the internal structure of the personnel department, expanding its functions and providing more effective service to the over-all organization. As a result, personnel records were improved and centralized; merit rating systems were established; wage plans were made more equitable; staff assistance in promotions and transfers was extended; accidents were reduced; workers were pro-

vided with greater security; points of grievance were uncovered and removed; grievance procedures were established and workers were given greater opportunity to express themselves concerning working conditions.

Failure of the "Welfare" Approach

In the course of this development, however, some top ranking executives failed to acquire a clear understanding of the fundamentals involved in personnel management. It was this group who was responsible for ushering in what has been called "welfare" management. Those who approached personnel management from this point of view sought to secure employee cooperation by spending large sums for recreational buildings, club houses, athletic teams, employee picnics, dramatic clubs, Christmas bonuses and gifts, loan funds and other types of employee services. While not necessarily wrong in themselves, often welfare activities were mistaken for the substance of rather than appurtenances to the personnel program.

Personnel management based entirely upon welfare services failed not only because such services were considered the summa summarum of personnel management, but also because of poor administration. In some cases welfare programs were developed in a spirit of charity with a great deal of altruistic publicity without realizing that charitable gestures, to most workers at least, are humiliating and degrading. Paternalism also was very much in evidence inasmuch as workers were not consulted as to their interest in and desires for such activities. Furthermore, workers were neither required to help finance nor to assist in administering the programs. Subsequently, when the welfare approach failed to bring employee cooperation, workers were condemned as being ungrateful. Some companies, much to their disappointment, sought to remedy the difficulty by substituting the name "employee" services for "welfare" services only to learn that the gained little by changing names without changing fundamentals.

Employee Services Not the Answer

Fortunately, personnel management has advanced beyond the welfare stage. Many executives now realize that while employee service activities provide potential areas of employee cooperation, if predicated upon sound principles, such services are not, in themselves, a substitute for sound personnel management. Also that if employee services are to be successfully incorporated in the personnel program, paternalism must be avoided by allowing workers to select the services desired, requiring them to make financial contributions toward their support and by encouraging workers to participate in administering the program. In any event employee services should not be considered more than an important but minor phase of the personnel program. There are no substitutes for positive leadership; fair, equitable and understood personnel policies; indoctrination in company objectives, plans and policies; equitable distribution of total company income; relative equitability in individual employee earnings; employee security; mutual understanding be-

tween top management and the men on the job; fair promotions, layoffs, transfers, rehires and distribution of work load; absence of personal discriminations; absence of arbitrary treatment; competent, well trained, patient and understanding supervision; and courteous, dignified, and friendly treatment of the individual worker.

Unions Have the Facts

Accumulation of experience has made possible the elimination of many of the early mistakes in personnel management. Progressive executives now understand that handling personnel decisions upon the basis of expediency and rule of thumb has no place in modern management. They have observed, in many unfortunate instances, that union representatives are often better equipped with facts, external facts at least, than company representatives. As a consequence, they realize that just as unions have developed fact-finding techniques, similarly management must perfect its fact-finding methods. Farsighted executives, therefore, have forged ahead in an attempt to find at least a partial solution to employee-employer conflict by obtaining more factual information upon which to base personnel decisions.

Management Seeks the Facts

That management has achieved considerable success in perfecting personnel fact-finding techniques is not difficult to demonstrate. Without attempting to present an exhaustive list, a few of the more obvious techniques illustrate the idea.

Decisions Formerly Based Upon "Snap" Judgement	*Fact-Finding Techniques Supplant Rule of Thumb*
1. Hiring workers	1. Job analysis Job specifications Intelligence tests Trade tests Aptitude tests Personality and interest tests
2. Establishment of production standards	2. Motion and time study
3. Promotions, transfers, layoffs, rehires and discharges	3. Merit rating plans Service records Termination interviews Turnover records Records of individual employee output Records of employee grievances
4. Determination of "basic" wage rates	4. Job evaluation
5. Supervision	5. Foreman training & conferences

6. Determination of employee opinions, attitudes, interests and dissatisfactions	6. Employee attitude surveys Suggestion boxes Employee conferences
7. Settlement of grievances	7. Analysis and elimination of points of conflict Analysis of grievances Mediation, conciliation and arbitration

What Are the Facts

The development of the factual approach has placed personnel management upon a much sounder basis. As a matter of fact, surrounded by a maze of labor laws and court decisions management now finds it practically impossible to operate without fact-finding techniques. However, experience has demonstrated that mere availability of "facts" leaves much to be desired in settling conflicts with employees. It is very evident that since conflicting parties often interpret the same set of facts in very different ways, reliance upon facts alone as a solution to labor difficulties is only a partial answer to the problem. For this reason, it seems apparent that the development of methods of conciliation, mediation and arbitration and the incorporation of such procedures in trade agreements are practical necessities.

A More Fundamental Basis of Personnel Management

Without attempting to minimize the value of the factual approach, there are indications that personnel management is moving forward to a more fundamental basis for cooperation with employees. The increasing attention which is being devoted to the psychological problems involved in employee-employer relationships appears to be ushering in what might be called, for lack of a better term, the psychological method in the solution of personnel problems. This approach seeks to get at the basis of employee maladjustments, motivations, frustrations, difficulties and problems which confront workers in their every-day working relationships. It is a preventive approach which attempts to uncover and adjust possible points of conflict before conflict arises. It is also a positive approach in that it seeks to evolve principles and techniques to better adjust workers to their jobs, develop their intrinsic abilities and provide psychological satisfactions for employees in their day-to-day organizational relationships. While it involves the use of fact-finding techniques, emphasis is upon discovering and eliminating causes of conflict rather than upon making post-mortem analyses and compromises once trouble arises. It is in the use of the preventive approach that personnel management is moving forward to its most effective stage of development.

Science Lags Behind

Lag in the development of scientific fundamentals, however, has prevented management from making greater progress in this direction. There is great need for broadening research and experimentation in the fields of social psychology, anthropology and sociology as the fundamentals apply to industrial relations. Interesting work in this connection has been carried on for years under the direction of Dr. Elton Mayo at Harvard University and more recently has been inaugurated at Yale's Labor-Management Center, under the direction of Dr. E. Wright Bakke. But only by arousing general interest throughout members of the professional fields indicated above and by the closest cooperation on the part of management will the development of fundamentals keep apace with the earnest desire on the part of management to find ways of working in cooperation with employees.

Management Strives for Harmony

With rare exception is an executive found who is not making an honest effort to find bases of cooperation with employees. In most instances failure to succeed in this connection is due to the lack of "know how" rather than to absence of the desire to do the right thing. Mention of only a few of the more recently inaugurated psychological techniques with which management is experimenting seems to justify this opinion. Some of the evident ones are: Employee indoctrination in company objectives, plans and policies; morale and attitude surveys; training in leadership fundamentals; planned employee induction and orientation procedures; improved techniques for communication with employees; conducted plant tours; employee conferences; rest periods; music at work centers; training through motion pictures and slide films; use of amplifying systems for communicating with employees; inviting shop stewards and other union representatives to participate with foremen in company training programs; inviting union officials to visit the plant to meet executives and board members and many others. However, until greater progress is made in clarifying the psychological fundamentals involved, well-planned and systematic development of the preventive approach will be greatly retarded.

Conflict Not Inevitable

There are still some who continue to discredit the philosophy and techniques of personnel management because they either honestly believe or hope that the differences between management and labor are irreconcilable. They are quick to point out that the never ceasing demands of unions for higher wages merely lead to higher production costs which brings production to a stand-still by eliminating profits. It appears to them that this is an inevitable dilemma in the capitalistic system which can never be resolved notwithstanding the good intentions back of personnel pro-

grams. However, such a point of view overlooks the possibility that an intelligently planned personnel program may so motivate and stimulate workers to greater production that higher wages can be paid with a concomitant lowering of real labor costs. It hardly can be gainsaid that those who hold a defeatist philosophy have yet to accept the principle that high wages, in some industries at least, may mean lower real labor costs.

Same Financial Incentives Assumed

Whatever the point of view, it remains yet to be factually demonstrated that the rank and file of American wage earners seek wage increases to the extent of completely wiping out profits. As a matter of fact, there is much evidence to support the contention that workers are just as interested in seeking non-financial incentives as they are financial incentives. But in any event, it is rather ironical to contend on the one hand that workers, indoctrinated in an economic system based upon the principle of financial incentive as the chief director and stimulant of production, should not be motivated by acquisitive desire, while to contend on the other hand that unlimited profits are necessary to maximum production. It is not very convincing to workers to argue that financial incentive at the top in the form of high profits is necessary to an ever expanding production and at the same time argue that financial incentive at the bottom in the form of increasing wage rates curtails production.

It is highly probable that when the basic fundamentals of personnel management are finally developed and applied, management will be subjected to a great deal less pressure for wage increases. It stands to reason, however, that as long as the leaders of industry are chiefly concerned with financial rewards, the led, by example, will likewise be so motivated.

Generally Business Expects Too Much of High School Graduates It Hires and Graduates Expect of Business Much More Than They Receive in the Way of Consideration if Not in the Way of Compensation.

Boy Goes *to* Work

By Harry L. Stein, University of Manitoba, Winnipeg, Canada

The subject of this discussion is the high school graduate who is leaving school to enter the world of work. Let me begin by giving you a word picture of the typical high school graduate who has made up his mind that his formal schooling has ended and that he must now seek his niche as an adult in the world of work.

The typical boy is between sixteen and eighteen years of age. If he is bright, he will likely be close to sixteen. If he has had something of a struggle to get through school, he will be closer to eighteen. We must further consider the fact that in modern times, there is a distinct tendency to urge those who are capable, to go on to further formal education either in a trade school, business college, normal school, or University. Anyone who is familiar with high school counseling knows how difficult it is to secure applicants to fill positions in banks, business houses, and industrial concerns, from among the ranks of the better high school graduates.

Better Graduates Do Not Apply

The boy who is ready to go to work on completion of his high school course does so for one or more of several reasons: (1) He has taken the high school leaving course, and therefore has not the necessary prerequisites for continuing his education in a college or university. (2) He has taken the matriculation course and (a) he has done so badly that there is little hope of his making a success of college work, or (b) he had not the financial means of going ahead, and must of necessity go to work. (3) He has done a fairly good job of his high school course, and is planning on going further either by way of night school, in which case his entry into business is temporary, or by way of continued formal education in a year or two, and the entry into business is again a temporary expedient.

At this point, it should be clearly stated that the chances of a boy resuming his formal education after going to work, no matter how good his intentions are when he leaves school, are extremely small. A lay-off from school at this age is an extremely deterrent factor in the resumption of formal schooling because study habits are soon lost; the taste of extra dollars in the pocket, together with the social activities which accompany this flushness, plus the freedom from homework and its accompanying worry, plus the possibility of a girl-friend, and plans for home-making, all tend to draw the graduate away from thoughts of educational advancement.

It is from among boys with a background such as this that business and industry today get their first entrants. Of course, there are exceptions.

Preparation of the High School Graduate for Business

Let us now consider how this typical high school graduate is prepared for his entry into business.

He has had a moderately good elementary education. He has been trained in the fundamentals of English. He knows a good sentence from a bad one, even though he may not have developed sufficient facility with good language to make it habitual. He is potentially a good exponent of English, provided he is placed in an environment where nothing but good expression, either oral or written, will be tolerated.

Lost Skills

He has been trained in the fundamental of number, and knows the fundamental operations of arithmetic. However, if he is a matriculation graduate, it will have been at least three years, and possibly four years, since he originally gained mastery an the fundamental operations. True, he has taken more advanced mathematics. He has studied the elements of mathematical reasoning, deduction and symbolism. But not for three or four years has he performed with any degree of regularity those skills which will be demanded of him in business. In the usual high school mathematics course there is little provision for the maintenance of these skills. Consequently, when he is faced with a simple personnel department test in addition, subtraction, multiplication, and division of whole numbers, fractions and decimals, and some simple applications of percentage, he will not likely do as well as he is, expected to do. The business man may rest assured, however, that, given a chance to practice these skills, it will not be very long before he will measure up to the required standards.

Reading Limitations

The high school graduate has learned to read, as a part of both his elementary and secondary school training. However, the latter part of his training has not been concerned with the type of reading he has to do in business. He has read modern

and classical novels, Shakespeare, classical and modern poetry. But ability in reading is, to a large extent, specific to the type of reading done. He may not be as adept at reading for details as he might be required to in business. Checking invoices, reading shipping instructions, following routine orders, and such details are not part of his ordinary high school training. However, since he is of better than average intelligence, and given the necessary training and practice, he will soon learn this new type of reading, under adequate supervision.

In his elementary and secondary school periods, the high school graduate has studied some history, geography, and elementary economics. However, the amount of transfer from the knowledge gained in these areas, to the situations he will meet in business, is relatively small. This training is cultural rather than utilitarian, and is designed to prepare him for citizenship, rather than for a vocation.

Little Transfer of Training

The average high school graduate has had some training in generalized thinking and problem-solving. If he has studied algebra and geometry he has learned to solve certain types of problems, specific to these school subjects. Theoretically, the purpose of this training is to teach the student to think both deductively and inductively in any situation. Now anyone who has studied the psychology of learning knows that this so-called *transfer of training* depends on many factors. It depends upon the brightness of the individual. It depends on the commonality of the elements involved in the transfer situations, and it depends upon the extent to which transfer has actually been taught. It is not possible in the time at my disposal to go into the ramifications of this problem. All I can say is that to a very large extent, generalized thinking except for the most intelligent individuals is a rare phenomenon. People learn to think in the situations that demand thinking. If a boy is to be trained to become a shipper or a buyer, or a mechanic, he must be trained to think in those specific areas.

Training Not Specific

The average high school graduate has had some training in the manual arts. If you put him in the shipping department, and ask him to nail up some boxes, or tie up some packages, don't expect that he will be able to tackle these jobs with the skill of a journeyman. He will acquire these specific skills only with a considerable amount of practice and instruction.

A few high school graduates receive specific training in specialized vocational operations such as stenography, bookkeeping, and office practice. Here again, this training is extremely general and must be supplemented by training in the specific area he enters. His generalized training can only be of value to him if it is extended by sympathetic on-the-job training.

Finally, from the point of view of training, the high school graduate has had some instruction and practice in sports, physical training and democratic living.

He may have served on class or school Committees, and he may know how to conduct a meeting. This training, if recognized by his employer, may be utilized to great advantage in jobs which lead to organization and management.

Now this somewhat sketchy exposition of the high-school graduate's equipment reveals the status of the average entrant into business from the average high school. His training is full of gaps, not because the high school or the student have failed in their jobs, but because the average school is not a vocational training institution. Its purpose is to equip the student with the tools of further learning, be this learning in business, industry, college, or the home. Just as there are differences between individuals, so there are differences between schools. Those differences must be recognized and allowed for rather than decried or condemned.

What Does Business Expect of the Graduate

Now let us see what business expects of the high school graduate.

In the first place business expects the graduate to have a thorough grounding in the fundamentals of English and Arithmetic, and to be able to produce in these areas in line with his expected abilities. I tried to point out earlier that there is some discrepancy between the training the school gives and the ability required by business. The school, that is the ordinary elementary or secondary school, does not have the specificity of business in mind in giving its training. All it can do is to lay a foundation upon which business can build. Now just as the school recognizes individual differences in ability to learn and in the rate of progress that individuals make, so business must learn to recognize these differences and plan its training accordingly.

Many fundamental operations as seen by the business man do not appear in the same way to the high school graduate. We must remember that maturation is almost as important a factor in learning as is training and practice. Look back over your own experience in business and ask yourself if you knew at eighteen what you know today at thirty or forty. The sheer factor of growing up and maturing is responsible for more learning than many of us care to admit.

Social Competence

In the second place, business expects something of the high school graduate by way of social competence. It expects the student's personality to be fairly well developed. It expects him to meet people in an unabashed manner. It expects him to know something of the world, of people, their habits, manners, and idiosyncracies. It expects the entrant into business to realize that you can't trust everybody, that business is a highly competitive undertaking, that orders are orders, that there is no place in business for horseplay, that time is money, that you must not put off for tomorrow what should be done today, and so on. It wants the boys to know that respect for superiors is of paramount importance.

There is really no place in the school curriculum where these aspects of social

competence are specifically taught. Nevertheless, it cannot be said that the school neglects this teaching. Where there are good teachers, these concepts will be taught by precept. Where the teaching is inadequate, little along these lines can be expected. Business expects, too, that the student will know something of ethics and morals; that he will realize that the world has not yet reached the millenium, and that the development of human conduct has still a long way to go before perfection will be reached.

Again, business expects that the high school student will have developed certain fundamental habits which are essential to success in the world of work. Such habits as neatness, accuracy, punctuality, regularity, honesty, assiduity, tenacity of purpose, loyalty, and the like, should be fairly well matured in the high school graduate. The onus of training in these habits rests in part with the school, although the school cannot always be charged with failure when these habits have not been adequately developed. After all the school has charge of the student for only five hours out of twenty four. The home, the church, and society in general, have some part to play in this training.

Business expects, too, on the part of the student an attitude of willingness to learn and make progress. The student whose only ambition is his weekly pay envelope is a poor risk in any progressive business. Business expects that the entrant will be constantly on the alert not only to improve himself, but to make a real contribution to the success of the business. Obviously, any personal advancement made by the entrant will likely accrue also to the business.

Problem Solving

Finally, business expects in the high school graduate some training in meeting new situations. Here again, this ability will be present in the graduate in almost direct proportion to his intelligence. Many people possess initiative, but unless this initiative is coupled with sound judgment, the initiative becomes blundering, or impetuousness.

The school has some responsibility for training problem solving, but as the curriculum is organized at present, this problem solving is confined pretty much to the areas of mathematics. It is assumed, of course that the ability to solve problems in mathematics will transfer over to other areas. This assumption however, is not always justified. The entrant into business will have to learn to solve the problems peculiar to the area in which he is going to work. Whether or not he will solve these problems by trial and error or whether he will use the methods of induction and deduction he has been taught to use, will depend entirely upon the individual.

What Does the High School Graduate Expect of Business?

Probably the first thing the high school graduate expects of his employer is an understanding of his present status as regards his assets and limitations. Of

course, the only way the employer can gain this understanding is by means of an adequate assessment program. The entrant into business would appreciate his employer knowing just what his capabilities are. No business man would install a piece of equipment in his plant without knowing what it is capable of doing. He would not give a job to a one-sixth horsepower motor that requires the capacity of a one-quarter or a one-third horsepower motor. The employer would be making as grave an error in judgment in putting a one-half horsepower motor on a job that requires only a one-quarter horsepower motor. No race-horse wants to do a cart-horse's job, any more than a cart-horse wants to do the job of a race horse.

The entrant into business expects his employer to consider his interests by way of progress. He expects business to realize that, like everyone else, he is ambitious, and he wants the man who employs him to hear about what he hopes to do and be in the future. It is not sufficient for the employer to assume that the beginner is ambitious. He should get an understanding of just what lines this ambition takes.

Some Understanding Expected

The high school graduate expects his employer to have some understanding of his personality. This understanding is, of course, an advantage to the employer as well as to the employee. The person who prefers to work alone rather than with others will work to much greater advantage in such a situation. On the other hand, the individual who prefers to work with others should have an opportunity to do so. The person who works more efficiently under direct supervision should not have his sense of security disturbed by being forced to work without this supervision. The sensitive graduate should not be asked to serve under a hypercritical foreman; and so on.

The high school graduate expects his needs to be recognized as regards training and promotion. He would like to be informed as soon as possible as to what the line of promotion is. What is the scope of his job and what are the limits? Nothing is such a deterrent to an individual's progress as the realization that he is in a rut or has run into a dead end. The high school graduate expects not only a realization of all these needs but he also expects a willingness to meet these needs in every possible way, together with concrete expression of this willingness.

Finally, the high school graduate needs and expects to be regarded and treated as an individual, even though he may be a cog in a very large machine. Just as a child needs a feeling of security and a feeling of belongingness, so the high school graduate needs to feel that *he belongs to the institution* for which he is working, and is not merely a paid servant, or an adjunct of some kind or other.

How Can Business, and the Entrant into Business Reconcile Their Expectations of One Another

The first, and most obvious means of reconciliation of expectations is by a frank and mutual disclosure of expectations of each. No one likes to be kept in

the dark. Everyone wants to know where he stands, what is his status, what is expected of him, what are the prospects, line of promotion, working conditions, and so on.

To accomplish this, then, there should be an organized and stated program on the part of business which will assist in the development of the trainee. By the same token, each trainee should have a projected program of self-development.

A second means of establishing good relations between graduate and employer is a periodic assessment of these relationships together with suitable recognition of progress, or lack of it. To achieve this, one method is the maintenance of adequate visual personnel records which, with certain reservations, should be available to the trainee as well as to those responsible for his training.

A third means would be the use of face-to-face constructive criticism on both sides. This can be accomplished by planned periodic conferences in which difficulties can be presented and problems ironed out.

Cooperation with Schools

A final question I would like to raise is: how can business co-operate with the schools in maintaining an adequate flow of graduates well prepared for entry into business? One suggestion might be that business should endeavor to convey frankly to the schools information as to how the graduates are taking their place in business. What are their strengths and shortcomings? What specific preparation is needed for this and that vocation? What part of this training can be done in the schools, and what part should be delayed until the graduate actually enters business? We have learned in Education that there is a problem of readiness for any phase of learning. We have learned that some types of learning should be delayed until a certain level of maturity has been reached. As far as vocational training is concerned, the schools have still a great deal to learn, and it is in this area that business and industry can very well assist educators in some of their most serious problems. Schools would like to know and be continually reinforced as to what areas of business and industry are in need of applicants, what is the nature of the job, the training required, and its future possibilities.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

(President and Treasurer, CHARLES S. SLOCOMBE. Secretary, J. SLOCOMBE)

Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 25 *Number 8*

Contents for February 1947

EDWARD N. HAY, *Managing Editor*

J. SLOCOMBE, *Circulation Manager*

Charles S. Slocombe

Charles S. Slocombe, Editor of the Personnel Journal, died at his home in Deerfield Beach, Florida, on December 29, 1946.

Under Dr. Slocombe's long direction the Journal underwent a gradual and very successful transformation from a research publication to a forum for a wide range of ideas more directly related to industry's daily problems in human relations.

Originally the Journal was an organ of the Personnel Research Federation and as such devoted itself mainly to reports of various research projects in the general field of human relations. Gradually industry began to awake to the necessity of giving organized attention to the human element in management problems and Dr. Slocombe shifted the emphasis of the Journal to meet this developing interest.

Dr. Slocombe was born in England and moved to New Zealand as a boy, where he received most of his education. He was graduated from Canterbury College at Christ Church, New Zealand, and then took his Ph.D. at the University of London in England. He taught school in New Zealand and then for two years was engaged in setting up schools in Sierra Leone, West Africa, for the training of native teachers. This was followed by a trip to the United States, during which he taught for short periods at Hunter College and at Columbia University in New York. He was next employed at the Boston Elevated as Safety Advisor where he was responsible for important developments in safety methods. After a visit to England he returned to become affiliated with the Personnel Journal. He will be missed by a wide circle of friends in many parts of the world.

Arrangements are being made to continue publication of the Personnel Journal in its present form and with the same editorial policy. Pending completion of these plans, I have been asked to become temporary Editor.

Edward N. Hay
Acting Editor

Audits in American Industry Show Interesting Results. Show need of Educating Worker in Affairs of Company. Cut Out Much of the Guessing by Companies of Workers' Views with Regard to Their Jobs.

Industry Audits

By Gerald Eldridge Stedman, Chicago, Ill.

American industry audits all physical properties regularly to ascertain the condition of its affairs . . . why not audit its industrial relations? Nothing has such critical bearing upon the success of any enterprise as the attitude, understanding, morale and spirit of its employees. Nothing so affects the condition of its affairs. Then, why not periodically cast up a balance sheet of these vital intangibles?

It can be done. I seem to have found a pattern and method after considerable experimentation. It is the purpose herewith to place an initial case study in evidence. It is illuminating.

During the past four years I have had the privilege of visiting 894 industrial plants in most of the states of the Union. My observations invariably bring me to machine side. I have talked with thousands of plant workers. It has been a great experience.

Worker Underestimated

Very early I began to learn that worker attitude and understanding quite often was far more positive and intelligent than presumed to be in many plants under observation. Often, I found management hypnotizing itself that morale was far lower than the actual situation. In instances, management has actually imagined itself into an industrial relations predicament.

From the broader standpoint, the pitch of the news and the stress of propaganda in the past few years has built up awareness towards negatives, misunderstandings, resistances that simply are not there, when one takes time and uses exhaustive methods to find real facts.

For example, the assumption that American labor is communistic is simply not true. Criticism that it is leftish and revolutionary is quite entirely false. Pretensions that it is against free enterprise, or that it doesn't appreciate our traditional American way, or that it is ignorant of its heritage under the Bill of Rights, do not

hold water when a proper audit is made. In the majority of industrial plants, worker proclivities along these lines run only so far and come up against the stone wall of sound thinking and purpose on the part of that great, silent, inarticulate majority of workers in any plant . . . except those few whose management attitudes remain anachronistic and unfair in this enlightened day.

Safe Deductions Necessary

It is apparent that too often the error of logic is that of using a part to prove a whole. We say "it is the opinion of organized labor," when actually, scarcely more than 20 per cent of organized labor in any union ever attends its meetings or even votes. We declare that "the labor attitude and understanding indicates a negative hysteria," when, in fact, only a fanatical fraction of the total force ever loudly mouths its opinions. No one can actually know what the rounded content of worker attitude, understanding, opinion is until an inclusive audit has been made . . . and by that I certainly do not mean a poll. There is no way to take a sample without introducing so many variants as to make base conclusions unreliable. I have found that out. Safe deductions can alone be established on the checking method of constants from the maximum possible number of workers on the payroll. That is exactly what an audit of industrial relations means . . . nothing else and nothing less.

There are many false diagnostic signs that seem to simulate negative industrial relations which actually are not there; elements such as excessive grievances, poor shop steward attitudes, pompous union business management. And there are some very real diagnostic elements that reflect wrong worker attitude, either present or soon to appear. Among these, is the tendency for workers to huddle into clandestine groups along the factory floor, which tend to break up when any newcomer appears along the aisles. Shiftless housekeeping is another certain sign. Greater than any of these is the character of a plant's surroundings.

Unfortunate Meeting Places

It is my habit, before any plant contact, to walk around it. If the plant is isolated and without bordering streets of trade, employee attitudes are invariably better than when there are idle-hour meeting places close at hand. If there are saloons within easy walking distance of employee gates, or any other type of loafing place like a cafe, bowling alley, or whatever . . . look out. That plant is quite sure to have a more negative worker attitude. This is simply because such places afford the bombastic, articulate minority a chance to communize their gripes. My investigation indicates that conditions from this standpoint reach their most bothersome intensity, if surrounding meeting places are saloons. Over a few beers, this fanatical rabble seem to generate false courage and a contagious braggadocio that cannot be handled logically.

The important realization, however, is that only the loafing minority of workers have time or inclination to make such stop-offs, before or after work. The great

solid mass of workers in any plant are home folk. They leave the plant physically tired. They are dutiful to their home lives. They seek the good food, the easy chair and the companionable pleasures of home. They are not fanatical. They don't tend to go off half-cocked. Thus, they seldom come into contact with the mouthings of this rabble minority except at machine side . . . and there, neither time nor atmosphere permits registry of negatives such as can be gained in a saloon atmosphere. Though I concede that such surrounding hangouts give opportunity for much wrong thinking and that it is difficult, if not impossible, for any plant of industrial education to reach such minorities at that level, still I feel that little could be gained in any attempt to participate in discussion at this level, because it is largely an emotional rather than a sensible atmosphere.

Blow Off Steam

In worker clothes, I have sat around many such saloons that fringe certain plants I have visited. I find the audiences to be found there unresponsive to anything logical or constructive. I do feel that such hangouts serve the good purpose of permitting these malcontents to talk . . . they give substantiation to the old psychological truism that "expression deflates while repression inflates" any objection. By permitting this articulate minority to blow off steam, a certain control is developed. But to think that a poll of their attitudes reflect the morale or understanding of the workers of the whole plant is a most definite error.

But now to the technique of the audit itself, and a sample case study. I have so far made five such audits and have seven others in varied phases of progress. Though the characteristics of each differ, the procedure is the same. It is demonstrated from experience so far that even in union shops, there is strong disposition among workers to cooperate, but there must be the sure convictions that the audit is by a third party with a sensible motive, and having a disinterested and unbiased attitude. The fact that I am a leading industrial writer, known by many workers in each metal-working plant, provides authentic purpose and third-party identification. I plainly state that my reason in making such audits is to gain facts for my writings and that I will submit a carbon of the analysis to both management and labor, publishing only such parts as they permit.

Interviewer Tactful

The procedure found most successful is, first, to come into the plant and gain material for one or more feature articles concerning plant engineering, tooling, shop practise, or upon some technical method of newsworthy interest. This is reprinted for worker reading and serves to establish my identity as an industrial writer. Against this background, I then return to the plant and personally interview workers rather broadly at machine side, in outside congregating places, even visiting certain worker homes to talk with wives and families. This establishes a tone and clue to the questionnaire that follows.

After discussion with both management and labor as to the prime elements that seem sensible to explore, a questionnaire pattern is designed, based upon the check-off rather than comment technique; the entire audit being arranged to develop constants rather than variables of interpretation.

This questionnaire, with a fronting letter, issued either by general management or worker management, is distributed to all workers on the payroll, either by mail directly to their homes or by plant pass-out. This letter clearly states the purpose of the audit, states that no signature or other identification is required on the questionnaire, asks for answers revealing exactly what each worker thinks, states that any certain answers can be skipped if desired, and guarantees that no one will ever know what the individual worker has said. I alone act as custodian of all questionnaires. None of them are signed. If, occasionally, one is signed, I exclude it from analysis.

Sample of Audit

Experience indicates that if 30 per cent or more returns are received, in relation to total payroll, there is a sufficiency to make all interpretations reliable. Returns are placed in plant suggestion boxes or in audit boxes supplied by the writer. They must be returned within 48 hours after their issue.

That is the simple procedure. Let me detail the results of one such audit, made in October, 1946 in the plant of O. B. Andrews Company, Chattanooga, Tennessee.

The O. B. Andrews Company manufactures corrugated and solid fibre products, paperboard, folding cartons and special packaging materials. The company has plants in Chattanooga, Atlanta, Johnson City and Knoxville. Total payroll of all plants numbers 556 people. The audit returns I subsequently report were from 225, or a return of 40.6 per cent; more than sufficient to make reliable deductions. Length of employment was expressed as 25.6 per cent, less than one year; 65.6%, more than two years; 8.6% between one and two years. The audit therefore reflects a good balance between new and old employment. Newcomers should not be interpreted as reflecting turnover but rather additions to force, caused by the opening of a new Knoxville plant. Longevity findings above agree within 0.5 per cent with the general payroll analysis. From here on out, I will give the exact question asked, analysis of the findings and will occasionally stop to comment.

> Q.: "When you started your first actual job at O. B. Andrews Company, were you given clear instructions by your supervisor?"
>
> A.: Yes, 77%; No, 19.5%; No Answer 3.5%.
>
> Q.: "Have you been given clear instructions by your supervisor on each other new or different job to which you have been assigned?"
>
> A.: Always, 55%; Nearly always, 21%; Sometimes, 18.4%; No answer 5.6%.
>
> Q.: "Have you been treated fairly by your supervisors?"
>
> A.: Yes, 67%; Nearly always, 21%; Not often, 7.7%; No answer, 4.3%.

Results Good

This audit of attitude towards supervision showed a positive rating better than twice what general management estimated it would be, in predicting the score of the audit. Based upon personal probing outside the plant, it is better than three times what could be expected by canvassing the opinions of the articulate minority. The findings indicate chance for improvement but do not substantiate a presumption of alarm such as had existed concerning supervisional failures. Correlatively, it is interesting to note that man-hour production in this plant is only about 6% under what it was in 1941. The high character of the supervision is one main reason for this fine production showing. Other plants visited are running as much as 40% under.

> Q.: "Since you came to work at O.B.A., have you been treated fairly by the company?"
> A.: Always, 61%; Nearly always, 23.5%; Not often, 9.8%; No answer, 6.1%.

Here again, the actual audit was over 50% more positive than company management expected.

> Q.: "Do you absolutely believe that, in the long run, wages can come only from production and increased wages can come only from increased production?"
> A.: Yes, 69%; No, 10.7%; No answer, 20.3%.
> Q.: "Someone has said that capital and labor are not two opposing forces, that they are really one force, one powerful force for improving the living conditions of mankind. Do you agree with this?"
> A.: Yes, 45.4%; No, 18.2%; No answer, 36.4%.
> Q.: "Do you believe it is possible for managers, labor and capital all to work together as 'partners'?"
> A.: Yes, 81%; No, 8.5%; No answer, 10.5%.

Unusually Significant

The above audit of economic understanding is unusually significant, varying in its dominant positivism far from the rather despairing negatives assumptively predicted by management, and having an index greater by over three times than that of the poll I took by personal interview among company employees in congregating places outside the plant.

O. B. Andrews Company is completely unionized by A. F. of L. There was a contest for union membership going on all through the South at the time of this audit. The character of the work is semi-skilled. Yet, the answers to these questions reveal an attitude and understanding far above what would naturally be deduced from press and propaganda comment.

Certainly, the answers indicate the need for much additional economic education, but as well, they provide basis and hope that such education will be correctly received. Far from a lost cause, they indicate that the average worker feels himself a partner with management, that the two interests are not necessarily opposed, and that his hope for increased wages must find source in his willingness to increase production. The situation most certainly indicates the wisdom of a rapprochement between capital and labor. It is only largely hypnotic hearsay that continues to create schism between them. With such an audit, management and organized labor can sit down at the bargaining table with faith in each other to frame the best in mutual advantage.

Job Attitude Audit

Q.: "Do you believe in your company's future success? Are you confident you can help this success?"

A.: Yes, 84%; No, 5.1%; No answer, 12.9%; Confident, 77%; Worried, 2.2%; Don't know, 20.8%.

Q.: "How glad are you to be working for O.B.A.?"

A.: Best place I've ever worked, 65%; Just another place, 16.4%; Not satisfied and may leave, 4.5%; No answer, 13.1%.

Q.: "Are you putting forth your best effort on the job each day?"

A.: Yes, 92%; No, 4.3%; No answer, 3.5%.

Q.: "Are you working towards a better job with the company, or to hold your present job?"

A.: Towards better job, 56.5%; To hold present job, 32.4%; No answer, 11.1%.

Q.: "Do you feel you won't get a better job, even if you work harder and better?"

A.: Yes, 36%; No, 45%; No answer, 19%.

Q.: "Do you expect higher wages for the job you are doing?"

A.: Yes, 81.5%; No, 8.5%; No answer, 10%.

Q.: "Are you willing to produce more to get higher wages?"

A.: Yes, 64%; No, 18.7%; No answer, 17.3%.

Q.: "If you are on straight time now, do you think you could produce more per hour on piece rate?"

A.: More, 32.6%; Same, 51%; Less, 16.4%.

The audit of all the foregoing questions as to job attitude shows chances for improvement of understanding. Specific interpretation is germane only to the company under observation. I introduce the findings only to indicate vital considerations that can be accurately measured by using an auditing technique of this kind.

No Guessing

The great danger is that management and labor stewardship too often are found believing in an entirely erroneous conclusion. The condition of affairs in any company needs not be guessed. It can and should be audited. Shop practices and

methods of industrial education should be corrected in the light of such findings. Then, in another six months, a paralleling audit can be made, results progressively compared. The audit then becomes an excellent way to measure the amplitude and schedule of improvement.

Too many view with alarm the often reported trend of labor away from acceptance of capitalistic tenets. Upon audit, however, such viewpoints usually seem untenable. The following data indicates it:

> Q.: If you loaned $1,000 to a friend or acquaintance, what percentage of interest per year do you believe he should pay you for the use of it?"
>
> A.: Two per cent interest, 10%; Five per cent, 35%; Ten per cent, 10%; Twenty per cent, 9%.
>
> Q.: "How much interest do you feel stockholders should receive each year for the use of the money they have invested?"
>
> A.: Nothing, 0.4%; Five per cent, 23.8%; Ten per cent, 15%; Fifteen per cent, 2.4%; Twenty per cent, 8.4%; No answer, 50%.
>
> Q.: "Who do you think benefits most from the money coming into O.B.A. as gross earnings?"
>
> A.: Stockholders, 19%; Plant workers, 27.1%; Company officials, 28.5%.

There is an evident area of ignorance revealed in the above, but there is likewise a disposition towards fairness.

Employee Education

This particular case study and all other audits I have so far made, show a deficiency of understanding among workers, particularly concerning financial affairs of the company for whom they work. In the O.B.A. audit, percentage of correctness as to how many stockholders there were was 16.2%. Better than 80 per cent had no right idea about the ratio between wages and dividends. Better than 85 per cent had no conception of the breakdown of the sales dollar. This isn't the fault of workers . . . the company hasn't seen fit to tell them. It certainly points to the important need of turning annual statements into primers of employee education . . . it is better than to let ignorance fester into wild and destructive imaginations.

O.B.A. workers, to the extent of 68.5%, believed company officials were trying to do their best for employees. Only 11.1% didn't believe so, but 20.4% didn't know. There is plenty of room in most companies for some sincere merchandising of management to its workers. And this shouldn't be neglected. Better than 71% declared that both workers and stockholders should benefit equally from increased net earnings caused by installation of new machinery. Better than 49% believed too much material was being wasted, and as to who was most responsible, the findings ran: Employees, 36%; supervisors, 34%; both, 32%. Workers are willing to take their part of the blame for any condition, and are more than willing to cooperate in correcting it.

Can Be Audited

There was much more to this O.B.A. audit than I have reported. My chief aim here is to indicate that the attitude, understanding, opinions and morale of any group of workers can be audited, that method should be based upon the check-off of constants, that procedure should be upon unsignatured answers to critical questions, that the audit should be repeated at stated intervals to measure improvement of practices.

Such an audit will usually indicate a body of agreement, cooperation and willingness of a far more positive nature than suspected. It usually tends to establish a pattern for cooperation that strengthens the common purpose and the individual enterprise of each factor. It certainly represents a means to gradually establish a greater production per man-hour. It facilitates mutually beneficial dealings around the bargaining table. It supplies a direction to company labor policy and program. It initiates unity on a factful basis. It encourages the individual worker to feel that he has had opportunity to contribute his attitude, opinions and understanding to the common plan and program.

It is more vitally essential than any audit of physical properties because the latter are only liquid and valuable as assets when they are put to more efficient work by the human factor.

A Simple Rating Device

By Donald E. Lundberg, Cornell University

It is not a question of whether we use methods for rating employees. Everyone who manages personnel uses a system of rating, be it formalized or entirely personal prejudice. The differences between the various forms of rating are in the degree of complexity of the method and in the degree of subjectivity on the part of the rater.

All Rating Methods Are Basically the Same

Basically all rating systems are alike. They provide a means of comparing one person with another or a group of others. If the method aids the person making the judgment by making him more critical and making his judgments more consistent and accurate, it is a good system. In order that the system be efficient it should also be simple enough to be easily explained to the person being rated—and should not require an inordinate amount of time or effort to use.

Making the Rating More Complex

Several methods have been used to make ratings more critical and reliable. One method has been to rate the individual on a number of factors rather than on one overall impression. Following this logic the number of factors which went into the rating was increased. Whereas formerly an employee may have been rated on efficiency, he may now be rated on knowledge of the job, accuracy, initiative, leadership, and personality. Some lists include as many as 28 factors.

Elaborate statistical techniques have been applied to ratings. Certain factors have been weighted double others. Numbers have been assigned the factors and summed to give a supposedly accurate total appraisal. Depending on the job the ratee may be given 20 points for courtesy on the job, may be assigned 20 points for neatness, 50 points for initiative, 50 for quality of work performed, and so on into any number of possible arrangements. Unfortunately these attempts have not proved too fruitful.

Is Complexity Necessary?

Recent factorial analyses of multiple factor rating methods indicate that actually raters consider only two or three basic factors. Factors additional to the basic ones are superficial and needless. For example in one study it was learned that although the raters were asked to rate on twelve different factors, they rated on two. In this study the two underlying factors which were common to all of the twelve were "the ability to do the present job" and "likelihood of being promoted."

A return to the more simple methods is indicated.

A Simple Rating Device

The device to be described asks the rater to rate on but one factor. It utilizes the paired comparison technique, an old and excellent method for forcing a distribution. It provides a simple and quick method of deriving a rank order for those rated.

To illustrate, suppose we wished to rate 15 stenographers for purposes of giving salary increases to the five most efficient.

Sheet One

Names of persons being rated

1. Kay Adams √
2. Mary White √ √ √ √ √ √ √ √ √ √ √ √ √ (13)
3. Jane Bean
4. Sara Thomas √ √ √ √ √ √ √ √ √ √ √ √ (12)
5. Ruby Brown √ √ √ √ √ √ √ √ √ √ √ (11)
6. Alice Green √ √ (2)
7. Helen Glynn √ √ √ (3)
8. Bess Smith √ √ √ √ √ √ √ √ √ √ √ √ √ √ (14)
9. Dorothy Price √ √ √ √ (4)
10. Grace Porter √ √ √ √ √ √ √ √ √ √ (10)
11. Sally Adams √ √ √ √ √ (5)
12. Sue Black √ √ √ √ √ √ √ √ √ (9)
13. Dolly Lee √ √ √ √ √ √ √ (7)
14. Evelyn Poe √ √ √ √ √ √ √ √ (8)
15. Liza Deal √ √ √ √ √ √ (6)

Cut two slits and a slot out of a common stiff paper folder as shown below.

SHEET TWO

Names of persons being rated

1. Kay Adams √

2. Mary White √ √ √ √ √ √ √ √ √ √ √ √ √ (13)

3. Jane Bean

4. Sara Thomas √ √ √ √ √ √ √ √ √ √ √ √ (12)

5. Ruby Brown √ √ √ √ √ √ √ √ √ √ √ (11)

6. Alice Green √ √ (2)

7. Helen Glynn √ √ √ (3)

8. Bess Smith √ √ √ √ √ √ √ √ √ √ √ √ √ √ (14)

9 Dorothy Price √ √ √ √ (4)

10. Grace Porter √ √ √ √ √ √ √ √ √ √ (10)

11. Sally Adams √ √ √ √ √ (5)

12. Sue Black √ √ √ √ √ √ √ √ √ (9)

13. Dolly Lee √ √ √ √ √ √ √ (7)

14. Evelyn Poe √ √ √ √ √ √ √ √ (8)

15. Liza Deal √ √ √ √ √ √ (6)

cut here

List the names of the stenographers on two sheets of 8 x $10\frac{1}{2}''$ paper: one list is a vertical column on the right half of a sheet; the other, a vertical column on the left of a separate sheet.

Secure sheet one to a flat surface by means of two pieces of scotch tape or thumb tacks. Remove the uncut side of the paper folder and place the folder over sheet one so that name two, "Mary White" shows through the aperture formed by the slot. (Of course, we do not compare "Kay Adams" with "Kay Adams.")

The rater compares all of the names on sheet one with name one, "Kay Adams" on sheet two. He does this by cutting sheet two on the dotted line and inserting it in the slits so that but one name appears. The rater then places a check beside the

name of the stenographer who is the best performer of the two being compared in each instance.

After comparing each stenographer on sheet one with "Kay Adams" on sheet two, he compares each stenographer on sheet one with "Mary White" on sheet two, and so on for all of the names on sheet two. In this manner every stenographer may be compared with every other stenographer in about 10 minutes.

Scoring is done by simply counting the number of checks beside the names and ranking the stenographers accordingly. For example, if "Bess Smith" receives 14 checks, "Mary White" 13 checks, "Sara Thomas" 12 checks, the rank order would be Smith best, White second best, Thomas third best, and so on.

This method also gives a ready check on the consistency of the rater. If he is consistent, the same number of checks will appear after a given name on both sheet one and sheet two. Of course, some inconsistency is to be expected.

The rank order given by one rater may be compared with that given by other raters. It is usually considered best practice to take the rating of a consensus of three raters. We cannot, of course, compare rank order ratings assigned to persons in one group with those assigned persons in another.

To facilitate the rating, type the desired basis of rating just above the slot and the slits on the paper folder. Thus for selecting employees for merit increases the question might be used, "which of these two employees best performs his job? (check one)." In the case of the necessity of reducing the labor force the question would become, "Which of these two employees produces the least for the company?" Questions should be varied to suit the purpose of the rating.

Programs Can Be Made to Fit All Groups. Proved by Attendance of Administrative Group and Faculty at Classes in Employee Relations.

Training *in* Employee Relations

By Gerald Carter, University of Illinois, Urbana, Ill.

Approximately two hundred deans, directors, department heads, professors, and many nonacademic supervisors at the University of Illinois have recently taken training in employee relations. This course consists of five two-hour sessions designed to improve skill in working with people. The classes follow the Training Within Industry pattern, using the conference technique.

One of the common criticisms of the Training Within Industry program is that, being ready made, it does not fit all groups equally well. This serious objection is overcome by varying the program to fit the needs and interests of the group. Class participation has been increased and the contribution of the conference leader reduced. A skillfully guided group can work out practically all of the important main points of the course. These ideas are much more effective coming from the group than when presented by the conference leader. Also, University rather than industrial problems are used to illustrate the method of analysis to be used later by members of the class.

Pays Big Dividends

The Training Within Industry programs contain so many sound ideas, practical suggestions, and well organized bits of common sense that many people at the University of Illinois do not believe these courses should be forgotten merely because the governmental agency which fostered them has ceased to exist. Continued usage of the foundations of good relations pays big dividends in times of peace as well as in wartime crises.

Desirability of starting at the top of the organization has been demonstrated. One might think that the deans and directors, being tremendously busy, and also highly trained technical experts, would be reluctant to take time to attend classes in employee relations. However, the enthusiasm displayed by this group, as well as non-academic supervisors, has been most encouraging. In fact, some of the academic administrators have requested that the program be extended to their entire academic staff, including professors who do not direct the work of non-academic em-

ployees. The knowledge that the administrative group considers it sufficiently important to devote their time in attending the sessions increases the eagerness and interest displayed by the supervisors whom they direct.

Although members of the academic staff are highly trained in their special fields, many of them have had little or no training in employee relations. Staff interest in the training has been remarkable. Members of the faculty have written numerous unsolicited letters telling of the extensive benefits of the course. It is felt that the principles learned in this course apply to efficient direction of students as well as University employees.

Group Discussion

Benefits of this program have been many fold. First of all, the inter-departmental relationships have been greatly improved by the intimate association of the supervisors from various departments attending the sessions together. Supervisors have had an opportunity to learn that other departments have problems similar to their own, and that they can expediently dispose of these problems by attacking them with a simple systematic plan. Also by watching other supervisors analyze their problems, with the assistance of group discussion, it is easy to see how such problems might often be prevented by the use of the basic foundations for good relations.

Practice in developing skill in working with people not only helps to strengthen relations between themselves and the people who work for them, but it also is very beneficial in improving the relationships between themselves and other supervisors. The four step method of handling problems has also been found to be effective in solving problems between departments. The principles developed in this program are also helpful in developing good relations between the university staff and the public. Supervisors also find that the use of these principles contributes toward better understanding between themselves and their own supervisors.

Good Answers

While this relatively simple program does not, by any means, adequately fulfill all of the needs of supervision, it is at least a step in the right direction. With all the strife and confusion facing our economic leaders today it is evident that the welfare of the public in general, as well as the individual organizations concerned, is contingent upon the development of proper human relations. Technology and physical sciences have a ready answer for most serious production problems. Therefore, it is left to the leaders of the social sciences to provide some equally good answers to the perplexing problems involved in assisting human beings to work together in a manner which will assure the maximum benefits of this technical progress for all mankind. Adequate skills on the part of those who direct the work of others can make a great contribution to this cause. This should not be construed as a suggestion that supervisory training will cure all ills of this troubled world. However, good supervision is part of the foundation of our economic system. The super-structure cannot be more secure than the foundation upon which it is built.

Provision Must Be Made for Expert Supervisors. "Some Believe Supervisors Are Born. Others Believe That the Person Best Qualified to Do a Job Is Similarly Best Qualified to Supervise Others in Doing the Same Job."

How *to* Develop Successful Office Supervisors

By Richard S. Schultz, Industrial Relations Methods, New York, N. Y.

There is widespread interest in the office supervisor today. This includes such matters as selection, training and careful analysis of supervisory responsibility. Most organizations know what they ought to do. How to do it is fairly clear. But the task of starting in a systematic way and obtaining results seems to be one of surmounting obstacles to action, and resistance to change and hesitancy.

Circumstances are now clarifying the situation. Many organizations are devoting considerable attention to sound personnel relations for office employees in the ranks. But this effort is fruitless unless provision is made for proper selection and training, development and encouragement of supervisors.

Planning

Organizations have become quite aware of the necessity for developing leadership. Some supervisors have found it difficult to keep pace with the company. The emphasis in present-day personnel relations is on using the talents of leadership rather than drivership.

Human relationships and employee welfare today assume greater importance. The attention to employee morale, health, financial security and personal adjustment calls for additional supervisory qualifications. A growing "new consciousness" among some office employee groups, combined with attention from labor organizations, directly challenges supervisory skill and leadership.

The office supervisor's position and responsibilities are also influenced by changes

due to emphasis on work simplification and standardization. Labor saving devices and office machines stress more attention to efficiency. The burden of office work due to fluctuation or increased volume demands more versatility and adaptability

The importance of the office supervisor in an organization is further implied by answers to the following questions:

1. Are office supervisors to be regarded as direct representatives of management?
2. Should the qualifications, training and responsibility of office supervisors be in keeping with the high requirements for a direct representation of management?

Obviously any company concerned with the improvement of the caliber of the office supervisors must begin with systematic planning. This includes a simple statement of *objectives* and *procedures* for accomplishing them. *Responsibilities for the program should be allocated to a major executive.* Adequate attention to these steps will thus assure a sound foundation for developing more capable and successful office supervisors in accordance with immediate daily and long-term requirements of an organization.

Selection Procedures*

An orderly selection program for office supervisors depends upon the following preliminary information:

1. Job Analysis and Job Specifications. This consists of a systematic outline of duties, results expected and personal requirements necessary in satisfactory performance as a supervisor. When this information is suitably prepared it becomes invaluable as a guide not only in selecting and training of new office supervisors, but it is also useful in a program for improvement of the present supervisory staff.
2. Personnel Audit Procedure. Promotion of supervisors from the ranks within a department or organization fosters sound employee relations. A systematic procedure for discovering potential supervisors is beneficial to morale in an organization. It includes use of special records and interviews designed to quickly identify employees who have possibilities for future supervisory responsibility.

   Supervisors do not bud or come "ready-made" suddenly. Any method that will help an organization to constantly review employees and discover those who may be potential supervisors deserves attention.
3. Merit Rating. A continuous review of personnel or supervisory candidates may consist of ratings on qualifications, in addition to knowledge and skill, such as leadership, personal effectiveness, physical fitness, mental alertness, adaptability and capacity for development.

There are four principal techniques or steps in a sound selection program for supervisors:

Step 1. Analysis of record with the company. This includes information on the reputa-

*[illegible], refer to "Selecting and Training Office Supervisors" by Richard S. Schultz, Office [illegible] at Chicago, April 27, 1944

tion of the employee in the organization and among workers, performance on present and previous jobs, variety of experience and recommendations by superiors.

Step 2. Personal information. It consists of a special application form designed to reveal background, education, home conditions, economic status, recreation, training, experience, general value to the company, and other information on personality and leadership qualities.

Step 3. Short preliminary interview. The purpose of this interview is to informally provide a list of candidates deserving further consideration as potential supervisors.

Step 4. Tests for Supervisory capacity. The use of tests in selection of supervisors should not be regarded as a routine matter.* Best results are obtained when test data are combined with sound practical judgment and other facts as indicated in the preceding steps.

Among the most common personnel tests that have been applied in the selection of office supervisors are the following:

General Intelligence Test. The purpose of this test is to measure the ability to think clearly and to benefit by training and experience. It has been found to be especially significant in office work as an index of promotability for *rank* and file employees and supervisors.

Interest Test. It is designed to measure the extent to which an individual has certain likes, dislikes and attitudes similar to those successfully engaged in an occupation. Several standard forms are available. They indicate particular interest in office occupations, work with people, in business and in languages. A combination of these interests may be helpful in establishing standards for selection of office supervisors.

Personality Test. Standard personality questionnaires now available have definite limitations. Applicants and employees need to be motivated considerably in order to answer the questions honestly and frankly. More intelligent people tend to quickly detect the purpose of the test and to answer in a biased direction. Consequently favorable ratings seem to have doubtful meaning in actual practice. Under restricted conditions and definite precautions these tests may be applied to identify personality traits such as emotional stability, inferiority feelings, submissiveness and introversion. For practical purposes unless personality tests are used with much caution they may be quite misleading in selection of office supervisors.

Training Office Supervisors†

There are not many "ideal training programs" in actual operation. But most organizations are eagerly interested in some type of supervisor training. A classifi-

* A review of procedures will be found in "How to Use Personnel Tests", By Richard S. Schultz, *Personnel Journal* September, 1946.

† See preceding reference on "Selecting and Training Office Supervisors".

cation of essential knowledge and skill made by the "Training Within Industry Service" is useful for outlining a program. It includes *knowledge of work, knowledge of responsibility, skill in leading, skill in planning* and *skill in instructing.*

A unique approach to development of supervisory personnel is the program inaugurated by the Hardware Mutual Casualty Company, Stevens Point, Wisconsin. It utilizes a Handbook as a principal part of a supervisory training program.

A fundamental conception of human relations is stated in the foreword of this handbook.

> "Some believe that Supervisors are born. Others believe that the person best qualified to do a job is similarly best qualified to supervise others in doing that same job. Experience has shown the fallacy in both of these views. We believe that while most people can be taught to be better Supervisors, we cannot expect anyone to improve his handling of people nor even do a satisfactory job in this respect unless he is given some guidance."
>
> "From a practical standpoint, the many problems created by such things as restlessness, turnover, manpower shortages, untrained help, competitive salary markets, and high-geared production always serve to remind employers that *it is more important to know how to handle people than how to do a job.*"

Some organizations have also initiated special personality development courses for employees in the ranks and for potential and present supervisors. These programs are designed not only to help the individual obtain better self-knowledge but to understand others and to further effectiveness in dealing with people and in helping them.

Skills for Sound Human Relations in the Office

Obviously the preceding paragraphs emphasize one of the most important qualifications for success as a supervisor. It is the ability to work with people and to get work done through people. In its largest sense, the management of people now outranks all other supervisory responsibilities.

Mark Twain once observed that the world would be a fine place if it were not for the people in it. If human beings were as consistent as machines the problem would be an easy one. But they are not. Not only are they different but each one is different at different times—up one day and down the next. A good night's sleep, a quarrel with the "boy friend," too much indulgence the previous evening and a thousand and one other things constantly focus attention on the problems in human relations.

Sound human relations means getting along with people at work for the benefit of all. It means cooperation based on encouraging employees, making use of their ideas and keeping them fully informed and interested.

In the average office human relations seem to be practically overshadowed by the

superabundance of paper activity, modern equipment and painstaking routines. There has not been so much attention devoted to office personnel as to production, sales or other groups of employees. This is partly due to a lack of confident leadership among office supervisors and to a considerable extent to the fact that the office worker is a "member of the family." Office employees and supervisors have been too long the neglected "children" in many companies. Sound personnel administration is an essential for the office as for any other department in an organization.

Developing Cooperation

Obtaining cooperation is a major problem today. When men and women work in harmony for the mutual benefit of all in any organization, spontaneous cooperation and greater achievement with maximum efficiency results. This is the key to building an alert and effective office supervisory organization.

Employees' feelings and attitudes are of singular importance for developing cooperation. It has been estimated that as much as *four out of five employees going to work in the morning wish they were going elsewhere.*

If office workers were to be asked "*What are the things you like most about your job?*", obviously there would be many different answers. The majority of responses would clearly indicate that there are other things important to employees in addition to mere wages or physical working conditions. A large number of them would say "I'm satisfied with my job because I have a good supervisor." What office employees want most of all is a good boss and congenial co-workers. There are obviously many other things that do not appear significant to supervisors which are exceedingly important to employees. It is the little things that office employees complain about, such as: having to stop in the middle of a job to do something else, to do a job over, to do last-minute rush jobs, to waste time or effort, to being told to do two or three things at once, to have too much to do, lack of instructions and not knowing the whys and wherefores of job. These determine cooperation, team-work and morale.

Basic Desires

Feelings of office employees and supervisors are influenced by certain basic desires. When the following desires are satisfied the individual employee is likely to devote greater attention to the job and to be more cooperative:

1. *Desire of activity.* Employees like to be kept busy according to a smooth work schedule. Being lazy and wasting time indicates poor supervision or maladjustment of the individual employee.
2. *Desire for mastery.* Employees like to be good at something and to have an opportunity for self-expression or individuality.
3. *Pleasantness of submission.* Most office employees enjoy being supervised, but they expect the boss to be a leader.
4. *Pleasantness of association with people.* Employees like to feel that

their work place is an opportunity for making friends. They prefer to work with others who are congenial and easy to get along with.

5. *Feeling of self-importance.* Each employee likes to be regarded as somebody of consequence. The individual office employee who has a feeling of self-importance and personal responsibility for the job will be more satisfied and efficient.

CHART 1

HOW TO SUPERVISE WOMEN EMPLOYEES

(Results of nation-wide survey among supervisors and executives.)

	Preferred Answer	Percent Agreement
1. Women have more speed and accuracy than men in work requiring "nimble" fingers	Yes	100
2. Women workers like to be complimented more often than men	Yes	90
3. Women workers are more impulsive and excitable than men	Yes	88
4. More ambition and desire for advancement is found among men than women	Yes	88
5. Shorter hours and not being required to work overtime are more important elements in job satisfaction to women than men	Yes	84
6. Differences in family and home background influence women more than men in their relations with other workers	Yes	80
7. More disputes or petty quarrels occur on the job among women than among men	Yes	80
8. Liking the boss is more important in influencing attitude toward the job for women than for men	Yes	78
9. Greater attention should be given to moral and character qualities in selecting women than men	Yes	78
10. Better "team work" is more common among men than women	Yes	74
11. Women should have a shorter work day and work week than men	Yes	74
12. Women workers generally have a high degree of loyalty to the company for which they work	Yes	72
13. Very strong likes and dislikes toward the job (working conditions, co-workers and supervisors)	Yes	72
14. Women are more conscientious than men in jobs requiring special attention to quality and accuracy of work	Yes	68
15. Women do not make as good supervisors of women as men	Yes	64
16. A wage differential should be maintained between men and women employees for the same job	No	60
17. Women do not have as much resistance to fatigue as men	Yes	60
18. Less initiative on the job is exhibited by women than men	Yes	58
19. Absence from the job (not due to illness) is higher among women than men	Yes	56
20. Turnover (leaving the company) is higher among women than men	Yes	54

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Since a large proportion of office employees are women, the attached *Chart 1, How to Supervise Women Employees,*" based on the results of a nationwide survey among supervisors and executives, is particularly significant. The list of items included in this chart may be regarded as basic principles of human relations. They should be

understood by each office supervisor and serve as a guide for daily contacts with employees. It is to be noted that for some items supervisors and executives show 100% agreement and for other items the agreement is as low as 54%. Sound practice of these principles is a skill that will assure greater cooperation and better understanding of individual office employees.

How to obtain cooperation and build morale among office employees is an urgent matter today for most supervisors. *Chart 2*, "*How to Measure Employee Morale*" shows the minimum number of factors that may be considered in appraising the morale of individual employees. A procedure of this type if undertaken by a supervisor should be also helpful as an overall index of morale in the department. Employees' answers to these questions show to a considerable degree how effective the supervisor has been in fostering good morale.

Chart 2

HOW TO MEASURE EMPLOYEE MORALE

(A minimum survey questionnaire)

	Yes	No	Not sure
1. Are you working on the job you *prefer*?			
2. Are your *working conditions* satisfactory?			
3. Are employees in general *treated fairly* in this Company?			
4. Have you gotten a *square deal* in this Company so far?			
5. Are your *earnings* in line with what other people are making on similar work?			
6. Does your *supervisor* treat you fairly?			
7. When your *suggestions* are used do you get credit for them?			
8. Do you know *how you stand* with your supervisor?			
9. Do you believe this a *good place to work*?			
10. Do you have enough *opportunity* to talk over your own job (or personal) problems?			

Daily Objectives in Alert Office Supervision

The simple objectives toward which each office supervisor can direct his everyday actions in order to assure good morale in the department and the organization are as follows:

1. *Create a spirit in the department or group.* Stimulate employees to work together for some high motive or loyalty to the organization and its principles. Perhaps the most striking illustration in recent years of creating a spirit is shown by the flag raising episode at Iwo Jima. The photograph of this incident is indelibly fixed in the memory of millions.
2. *Satisfy the imagination and desires of employees for a stimulating work environment.* During the war many organizations devoted much attention to further cooperation, to improve attendance, to improve quality of work and to increase effort and production. These results were accomplished by creating a stimulating work environment. It helped each individual employee to identify himself with the

principal objectives of the organization and to feel a sense of self-importance. Steps were taken to provide most satisfactorily for such items as the following: lighting, ventilation, eating facilities, rest rooms, special recreation, health and welfare programs, information by motion pictures and striking illustration, and sound and music systems. In addition, efforts were devoted to inform employees about the importance of their company, products and executives. Today it is also of paramount importance to stimulate and satisfy the imagination of the individual employee by similar approaches and methods.

Better Nature

3. *Have confidence in the "better side of human nature."* It is reasonable to assume that employees are honest, willing to work hard, loyal, and fair in their consideration of others. The office supervisors will do well to regard employees in the light of their "better nature."
4. *Obey real human impulses.* The supervisor can profitably afford to be generous, congenial and friendly. If an employee does something well, don't hesitate to praise. If an employee has a difficulty, don't hesitate to help. Perhaps in its simplest terms this is an application of the golden rule: "Do unto others as you would have others do unto you."
5. *Make it simple and do it simply.* Many supervisors have difficulties because procedures and rules are involved or misunderstood. It is the supervisor's responsibility to make sure that instructions and policies and other information are stated simply, clearly so that they are fully understood by each employee. This includes the simplest company rules as well as such matters affecting wages, vacations or promotions.
6. *Provide a simple and continuous two-way "free flowing channel of communication for all employees."* The supervisor should make every effort to have the most satisfactory informal relations with individual employees. This will encourage each one to talk freely and make it readily possible for the supervisor to keep employees fully informed. The grapevine system is the most undesirable way of informing employees. It can easily defeat efforts to build good morale.
7. *Use employee brains.* The supervisor does not possess "all wisdom and knowledge." The file clerk, the messenger boy and all other employees in the ranks of an office have worthwhile ideas. Encourage them to make their contributions. Some organizations have an informal or formal suggestion system. But in everyday supervision, the office supervisor can do much to encourage the employee to show resourcefulness, to make suggestions and to feel that they have some part in controlling their jobs.

Stimulate Enthusiasm

8. *Direct emotions of employees to desirable purposes.* The supervisor should do much to encourage favorable attitudes, to stimulate enthusiasm and to remove unnecessary

worries. The employee who is distressed or worrisome should be aided in an informal and friendly way to try to overcome difficulties. Much can be done by the office supervisor to avoid unnecessary emotional tension. Resentment has no practical consequence in overcoming obstacles. The extent to which a group of workers are free from worry is an indication of alert supervision. A department or section in an office has an emotional tone which can be readily observed. If the supervisor is congenial, cheerful and calm, it is reflected in the behavior and manner of the employees.

The success of executives and supervisors in any organization depends more on the ability to obtain cooperation of employees than upon any other single factor. Merely issuing orders, making policies and giving instructions does not induce people to do what you want them to do. It is important to devote attention to accomplishing three major results:

Getting employees to *work together.*

Stimulating employees to *work in harmony.*

Facilitating *teamwork* among employees according to the rules and policies of the company.

Crux of Cooperation

Fundamentally a company is merely an organization of people consisting of "managers" and "workers." It has the following characteristics which can be influenced favorably or unfavorably by the skill and leadership of executives and supervisors:

1. It is *dynamic*, alive and in a constant flux or change. Things are constantly happening. It develops flexibility or fails to be a sound organization.
2. Because it is an organization by virtue of its people, it has a "*feeling tone.*" Regard for employees' feelings is the crux of cooperation.
3. It is a *team* that works smoothly toward an objective, or struggles and fails because of lack of leadership or ineffectiveness of its rules or policies.

Best Soldiers Are Best Citizens Found True in Britain. Popularity of Educational and Vocational Schemes Typical. Figures Show Nearly Three-quarters of R.A.F. Airmen and Airwomen use E.V.T.

A Flying Start

By Ralph Cooke, England.

In Britain, the assumption that the best soldiers are simply the best citizens in battle-dress has been found to be profoundly true. And one of the lost important aspect of that truth is that the very qualities which take a man so surely and conscientiously through military training and the holocaust of war, also keep him in touch, in his mind and instincts, with the citizen's life he has left, and keep him eager to return to it.

Hence the instant popularity of the educational schemes planned by the British Services as soon as demobilization came within sight. Of these schemes the Royal Air Force's Educational and Vocational Training Scheme may be taken as typical.

15,000 Instructors

The Air Ministry describes it, appropriately enough, as a plan to give all ranks of the R.A.F. and the W.A.A.F. a "flying start" in civilian life, and it provides for three kinds of training: resettlement, educational and vocational.

E.V.T., as it is called, began officially on the 15th May, 1945; but the planning and preparatory work went on for months beforehand. For the greater part of the scheme the R.A.F. had to find its own instructors, of whom about 15,000 were needed; and something like a quarter of this number had to be W.A.A.F. instructors. As there have to be machine-tools for making tools, so there have to be schools for instructors. A number of these co-educational schools were set up in Britain, and others in Italy, Egypt and India and elsewhere abroad.

The resettlement part of the scheme is closely linked with the Ministry of Labor's Resettlement Advice Service for men and women who have left the Forces. It is, in short, a preparation, in the widest possible terms, for modern citizenship. Of the six hours a week of working time planned as the basis of the whole scheme, one hour of the resettlement course is compulsory. The course consists of discussion

groups, films and lectures which cover every aspect of present-day living. It includes visits to civic and other communal centers where the latest developments in the life of the community may be studied at first hand. Subjects such as social insurance, the family budget, local government, Parliament and international affairs are covered as fully and as practically as possible.

Also Leisure-time Occupations

An additional feature is the teaching of leisure-time occupations: hobbies, arts and crafts. This is primarily intended for men and women who do not need to follow educational or vocational courses, either because of their qualifications or because their peace-time employment is already provided for.

The second part of the scheme, educational training, is sub-divided into three sections. Those who want to brush up what they learnt at school, but have perhaps forgotten, can work for what is called the War Educational Certificate, making a choice from such subjects as general knowledge, English, mathematics, domestic science, general science, history, geography, geometrical drawing, the theory of a trade. There is a more advanced course for the Forces Preliminary Examination, which qualifies for entrance to a University. The Universities, in fact, have had a say in preparing this course, and success in it brings exemptions for those who wish to enter a faculty.

Both these courses are given at R.A.F. Stations by fully-qualified instructors who are themselves members of the R.A.F. and have volunteered for the job. Individual requirements are the key-note of the whole scheme. There is margin for special arrangements to help individual students whose Service duties may interfere with the ordinary time-table, or who may need to find, for one reason or another, extra time for study.

Professional Training

The third section of this educational training is designed for the men and women who are ready to prepare for professional examinations. Here, of course, individual requirements reach a higher point, and success depends, as always in qualifying for a profession, upon the individuals' own efforts. The R.A.F. has provided millions of text-books for all these courses, and all the available reference books which students of the professions need; and the permanent Education Officers of the R.A.F. may be depended upon for valuable aid and advice.

The third part of the scheme is vocational training. This, like the resettlement course, is a severely practical affair. Instructors in vocational training at R.A.F. Stations make use of the Station workshops for courses in civilian jobs and trade conversion courses. The R.A.F. also makes as much use as possible of local technical schools and arranges for vocational students to attend them. But it has mobile classrooms, in the form of six-wheeled vans, fully equipped for instruction in the

trade required and manned by expert instructors, which travel from unit to unit. These are principally intended for small units which are without resident instructors or workshop of their own. A homecraft van, for instance, contains the most modern kitchen equipment, with a 50-gallon tank attached. A mothercraft van has everything needed in a modern nursery—not even forgetting the toys. A general science van is a complete science classroom, with laboratory and demonstration bench.

Kinds of Employment Available

On this subject of vocational training, the R.A.F. and the other Services are in constant touch with the Ministry of Labor as to the openings for skilled workmen, for the industrial change from war to peace brings fluctuations in the kinds of employment available and of skilled labor needed. And it is here that an additional branch of E.V.T. comes in: the Vocational Advice Service.

At nearly all R.A.F. stations there are highly-trained R.A.F. and W.A.A.F. advisers who give information on all kinds of civilian work and training and help the applicant to form a sound judgment as to the line most suited to his or her aptitude. It may happen that a man wants to take a course in a trade which, owing to the changing conditions of industry, is not likely to bring him employment. After consulting his inclinations and making an estimate of his general aptitude, the specialist advisers then suggest a choice of two or three other trades.

The Advice Service offers the same help to the men and women who have difficulty in assessing their own inclinations and capacities and are uncertain what sort of jobs to go for when they get out of uniform. Indeed, the work of the Vocational Advice Service is to such good purpose that officers who have taken courses at the R.A.F. Educational Advice School in Gloucestershire are being sent to units as far abroad as Malaya and Burma.

75% Use Service

Recent figures have shown that nearly three-quarters of the whole strength of the R.A.F. airmen and airwomen are finding a use for E.V.T. This is not to be wondered at, for these young men and women, some of whom have been fighting together for over six years, are citizens by nature and are anxious to get back to their natural calling. The main obstacle has been to put the scheme into effective practice in the circumstances in which demobilization has to be carried out.

The figures show how well that obstacle has been cleared—owing, very largely, to the organizers' insistence upon providing for individual needs.

Supervisors Have Quite a Fight for Best Results. Worth a Try for Supervisors to Use Training Gained in War Years to Dispel Tension Between Labor and Management.

Leaders Again

By E. B. Lightfoot, The Chesapeake & Potomac Telephone Co., Washington, D. C.

Some years ago industry engaged in a "make work" program designed to keep as many workers as possible on the payroll. The burden of this program fell partly on the first line Supervisors, and those of us who were engaged in that fight well remember the lengths to which we were forced in order to maintain the best level of employment and production we could. The results were variously successful in different parts of industry but not entirely so in any line. During this period there was perhaps not enough emphasis on human relations phases of first line supervision. Management was too busy trying to keep business on a break-even level to pay very much attention to some of the less obvious angles of managing men.

After a few years of this conditions seemed to be improving but about the time that business seemed to be well on the way toward the normal level we were called on to start producing large quantities of munitions and materials for shipment to war zones. Shortly after this our country became actively engaged in the conflict and almost overnight industry stepped up all its production programs to an unprecedented high.

Constant Pressure

With this rapid increase in activity the job of the first line supervisor became one of production at any cost and in any quantity. Due to the constant pressure for production the forces of supervision normally directed toward better labor relations were in a large measure submerged. Labor and Management seemed to reach, by mutual agreement, an understanding that production was the foremost duty of everyone.

With the cessation of the conflict in Europe and later in the Pacific, the pressure was released on all parts of industry. Labor and Management, felt able to relax for a while and gradually recover their balance. It was expected that, after a brief period in which war-created or war-converted plants could be converted to peace

time production, the demand for civilian goods would enable all industry to assume a high level of production with the attendant high employment level. However since it was not anticipated that high pressure production would return to the wartime peak it was expected that a great opportunity would be opened up for Management to again give attention to those ideals of supervision, which had of necessity been somewhat neglected.

During the war a great deal of time and thought went into the "Training Within Industry" program and various courses in supervisory training were given. These courses were designed to fill the need for quickly training new supervisors, particularly foremen. The overall success of these courses is beyond question and that program did almost exactly what it was designed to do.

Dispel Tension

Now the opportunity is at hand for a large number of those supervisors, war-created and war-trained, to make use of their training in helping to create an attitude on the part of Labor and Management which can in part dispel the present tension existing between these two.

A great number of first line supervisors have in fact been looking forward to the time when they can once more assume the position they are entitled to in the scheme of Management. They are anxious to again become leaders instead of just supervisors of more and more production.

If Supervisors, particularly first line supervisors will assume with determination their position as leaders of the workers and conscientiously apply the principles of supervision which they have learned and which they now have the time and means of developing further it is quite reasonable to hope that there will be an improvement in labor relations which will permit industry to meet its obligations. A resulting upward trend in production and decrease in unemployment could bring the desired improvement in industrial conditions so necessary throughout the entire country. It is certainly worth a try.

Many Firms Find It Hard to See in Dollars and Cents the Returns from Better Personnel Methods. A Smooth Well Functioning Personnel Policy Pays Its Own Way.

Need *for* Improved Methods

By David F. Tver, Vocational Director, Oklahoma City, Okla.

Despite the advancement of personnel methods in industry there are concerns still waddling around in personnel procedures outdated by ten or fifteen years.

The war period brought stark realization to many concerns, of the need for improved personnel procedures, but there are still firms not willing to invest in their future where personnel administration is concerned. The intangibility of this work makes it hard to show in dollars and cents what has been accomplished. However, the returns in greater efficiency, reduced turnover, and higher morale speak more positively than a balance sheet.

For instance, the expense of turnover is an important factor in any concern, large or small. Herbert Moore in his book, "Psychology For Business & Industry" states, "The size of labor turnover, including employees separating from and those joining the organization is not of so much importance as the cost. That varies in different organizations and for the different types of positions in the same organization." In relation to the field in general he states, "there are few fields in which so much guess work has been done and so many haphazard methods used."

More Care in Selection

In the employee selection field alone, considerable has been done to aid the employer to put his hiring on a near scientific basis. A business man is particular about what type of merchandise he purchases. He will spend much time on the selection of fine merchandise, yet, he will hire personnel without any method of evaluation and use trial and error methods of elimination. The need not only exists in larger firms but smaller ones as well.

One important method of personnel selection is in the testing field. The importance not only of evaluating present skills of a prospective employee but aptitudes also, will help eliminate blind selection. Tests have been sufficiently standardized and validated to warrant their use as employment tools. However, the tests used should be "tailor" made to individual requirements and the interpreter should be thoroughly familiar with testing, or at least with the particular tests being administered.

Many concerns have personnel offices it is true, but a proportionate amount are either out-dated or have personnel policies in name only. It does little to have a personnel office or manager unless it is on a going and productive basis. In order to have a better understanding of personnel procedures it is better to first discover what constitutes a functioning personnel policy.

Capacity to Grow

It must be first understood that all problems are directly or indirectly related to the personal relationship aspect. Henry Beaumont in "The Psychology of Personnel" states, "any attempt to understand the human problems of industry must start from the fundamental fact that each employee is first and foremost an individual . . . in general it can be said that, whether a man is likely to develop into a useful employee depends on his present characteristics as well as his capacity to grow, either by developing further such skills as he already possesses, or by developing new skills which at present are still dormant."

In establishing a personnel office or department, many factors are involved that determine what place it will play within the organization. Many employees today still consider the personnel office as a source of friction instead of aid.

Let us return briefly, to conditions within the plant, for a better understanding of personnel relations. It is the job of every personnel manager to develop a better relationship between management and labor, but where there is an unconscious antagonistic feeling between labor and the personnel office, the gap between management and labor remains unabridged.

Invaluable Aid

All employees should be encouraged to use the personnel offices as a source of settling grievances or related differences. The personnel office as one of its duties should endeavor to educate and promote managements position to the employees, and the employees problems to management. Invaluable aid can be given in alleviating the period of unsettled labor relations by proper personnel administration.

The personnel manager should be easily accessible to all personnel and his schedule should be so arranged as to leave his office occasionally to circulate among the employees and acquaint himself with current conditions. Too many personnel officers forget their main duties and sit in the proverbial "ivory tower" utilizing

most of their time in the hiring portion of personnel work, only, and forgetting that a personnel officer's duties consist of a great many phases just as important in personnel procedure.

Satisfactory conditions and relatively high morale within an organization are just as important as careful employee selection to reduce turnover. Turnover results from a series of causes, not one alone. Too many companies have modern fixtures and sales advertising methods, but antiquated personnel policies Turnover is blamed on everything but the real problem. All too often, we find the personnel office preparing statistics supposedly proving satisfactory accomplishments more to convince themselves than to present a true picture of actual conditions.

It is also recognized that top management must participate and cooperate to the full extent or adopted policies and procedures are of no value.

Initial Hiring

Here we return to the applicant, because as Herman Slavin of Guidance Associates states in October's Personnel Journal, "*turnover begins with hiring.*" "The right of an employer to hire the potentially most efficient worker is still largely unabridged and it is in this area that substantial saving can be achieved. For many of the causes of turnover stem from the initial hiring. How are most inexperienced persons hired? Generally by interview. If the applicant's manner is pleasing, if he comes well recommended, or if his appearance conforms to the foreman's or personnel man's notion of how such a worker should look, he is hired. With this in mind the contention is still that interviewing and placement must not be done on personal selection or by general hit or miss methods."

A well integrated personnel policy covers many factors: Careful selection, including a specialized company questionnaire; a sound testing program; a policy for handling grievance procedures; a constructive initial training program; and a systemized followup of all problems. These factors, and many others, including the problems of lighting, heating, ventilation, sanitary conditions, medical facilities, recreation and social activities are all a part of the personnel departments responsibilities.

The thinking of some concerns and personnel offices is that "we are just not yet ready for such thinking" or "the people in this part of the country are not sufficiently advanced to accept such methods." Thinking in this channel shows little flexibility or desire to be disturbed out of pat complacency.

Sound Policy Pays

Most progressive concerns are abreast of the times and have utilized the modern methods, that have been tried and tested by larger corporations, and psychological research and testing bureaus. Modernization costs money it is true, but any hard-headed business man realizes that a sound investment will eventually result in sub-

stantial profit. A smooth well functioning personnel policy can more than pay for its own expenses.

Quoting again from Slavin: "Enterprising organizations, utilizing modern personnel tools, leave little to chance and less to guesswork in making their original investment in new workers. Reduced turnover, more productive and better satisfied employees are the dividend." This can only be accomplished where there is healthy thinking which originates from a sound and well integrated personnel policy.

This article by no means intends to indicate that a sound personnel policy is based on a personnel office or department. Many concerns are too small to warrant a personnel department or even a specialized personnel man. However, management itself in a small concern can keep up with current trends and apply in principle many of the basic concepts. Some concerns that are not quite large enough can utilize personnel and industrial relations concerns which are set up for such purposes.

Regardless of the method utilized the philosophy of the administrative personnel of each concern is of paramount importance. This philosophy will determine to a great extent, what accomplishments can be made in this problem that has been so sadly neglected.

Book Reviews

Book Review Editor, Mr. Everett Van Every
California Personnel Management Association, San Francisco 2, Cal.

INDUSTRIAL RELATIONS AND THE SOCIAL ORDER

By Wilbert E. Moore. Macmillan Co. New York. 1946. 555 pp. $4.00

Reviewed by Rebecca Brick

The main emphasis of this book is on the cultural lag existing in our society—the fact that laws, institutions, and ways of thinking do not progress as rapidly as technology. Within this framework Mr. Moore discusses the problems of industrial relations as influencing and influenced by the social order.

The preface states that the purpose of the book is to bring together the widely scattered material on the many phases of industrial relations into one book dealing with the functioning of the structure as a whole. This has been accomplished in an orderly fashion. For me at least, this book consolidated into one overall picture much reading which I have done elsewhere. The author states that it is intended for use by industrial and union executives and informed laymen as well as students. Unfortunately I am afraid that the majority in all those categories will not find the book too absorbing unless they have considerable background in the field before starting to read. The reason for this is that all through the book statements are made in long complicated sentences written in rather abstract terms. Unless one is already familiar with the subject matter it is sometimes difficult to grasp. On the whole, the book is very interesting and quite helpful in integrating any previous reading in the field of industrial relations.

MANAGEMENT CAN BE HUMAN

By Harvey Stowers. McGraw-Hill Book Co. New York. 1946. 131 pp. $1.50

There is nothing extraordinary about this book. It isn't the answer to employer prayers about unions, reducing production costs, or improving the quality of work. Only in so far as it advocates better human relations between management and workers can the rather extravagant claims on the cover jacket be associated in any way with the title of the book.

In fact this is another one of those volumes where the title has little to do with the book itself.

Management catches hell in this text—the kind of brimstone ridicule that isn't entirely offensive because it is so realistic and commonplace in its portrayal. I know some organizations where this book in the hands of the right executives would probably lead to a complete overhauling of their policy, administration and operating structure. To this extent the book is certainly well worth reading.

In his opening sentence, the author declares that industry is faced with human problems that may hold greater dangers than the Second World War. He warns that American industry is toying with economic power and a disregard for the individual that may easily loose a movement from which free enterprise might never recover. That's the heaviest part of the book.

Eugene E. Wilson, writing the Introduction, tells of his surprise over how little has been written about leadership—which, he says, has been taken entirely for granted.

There are places where I disagree with the author, but I go most of the way with him, and so will you. His portrayal of absurd management practices, relics of bygone days and others that are purely quirks and idiosyncracies are worth the price of the book. He certainly does a masterful job of depicting the ludicrous in the heirarchy of business.

Weakness of the book is the author's slur "against university trained men"—a rather crude and fallacious series of generalities that would seem to serve no good purpose and actually distract from the purpose of the book. "Too much theory and too little practical knowledge" and "a college degree is not necessarily an educated man" are such home spun chatter as to be offensive even to the underprivileged who would rather dispense with this totem lure as too trivial for a business book.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

(President and Treasurer, CHARLES S. SLOCOMBE. Secretary, J. SLOCOMBE)

Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 25 *Number 9*

Contents for March 1947

EDWARD N. HAY, *Managing Editor*

J. SLOCOMBE, *Circulation Manager*

Wages constitute 70% of all costs and this percentage has not varied much over the years. Workers *as a whole*, then, can only get more by helping to produce more. A most important paper.

The Economics *of* Collective Bargaining

By Emerson P. Schmidt, Director, Economic Research Department, *Chamber of Commerce of U. S. A.*

For both good and spurious reasons, the majority of the American people favor collective bargaining. Because of the extended sales-publicity in its behalf during the past 15 years, some people accept it on faith; "I believe in collective bargaining," is a common response. Others may have some grudge against business in general, against a specific company or company official, and they think collective bargaining provides a way of "getting even" or of "regulating" the employer. Still others, conscious of general unemployment and low wages, believe that collective bargaining may serve as an antidote. Some rationalize collective bargaining as a device for "maintaining purchasing power" and eternal prosperity.

Others look upon it as a device for maintaining communications between management and workers and for helping to humanize industrial relations. Some think collective bargaining will provide labor a larger share of the national annual product.

Some, like the CIO and Robert Nathan, view it as a device for transferring profits from investors into the pockets of workers and labor leaders, a sort of conspiratorial spoliation. Some look upon it as a vehicle for building up class-consciousness, paving the way for a basic transformation of society into a socialist state. With the Communist this may be almost the sole objective; and it may be recognized that even without holding this objective, some such end result may finally ensue.

From the standpoint of the labor leader, the institutions of collective bargaining and labor unions may be chiefly ends in themselves; indeed there is reason to believe that this is primarily what has gone wrong with collective bargaining in recent years.

The politician may support collective bargaining because it helps him to secure and hold the emoluments and prestige of public office.

Thus the drive behind collective bargaining is based on a complicated mixture of motives, some explicit and some beneath the surface and behind the scenes, some noble and some ignoble, some—if given priority—consistent with the survival of our way of life and some incompatible with it. The next decade or two will tell the tale—and it may not be all pleasant.

The Economic Argument

Underlying much of the support for collective bargaining is the notion that it is a great engine for raising wages. Experience of unions is that they do raise wages—for their employed members—at least money wages, and at times real wages.

So long as unionism was confined to limited sectors of the economy this experience was frequent. But the increases came chiefly at the expense of other workers, except in so far as they grew out of greater productivity.

Now that unionism has invaded all sectors of the economy, labor leaders have the unhappy experience of having widespread wage increases promptly offset by closely corresponding price increases. So the union leaders are now fighting each other's wage increases—although they talk as though they are fighting price increases. Walter P. Reuther cried out that he was getting tired of having every wage increase offset by a price increase. But Mr. Reuther was up against the hard facts of economic arithmetic. In economics there are no miracles—everything has to be paid for—by somebody.

In so far as union demands encourage management to install labor-saving equipment and inventions, upward wage pressure and other labor-cost increasing devices, of course, are partly responsible for economic progress and rising living standards.

Despite demonstrable group gains, in specific spots, it is doubtful that the thesis that unions can raise wages in general is tenable either in terms of good reasoning, or on the record. Every increase in group gain that is not accompanied by increased group productivity is someone else's loss. Every coercive advance of the wage rate above the free market rate means unemployment for somebody. It is only by narrowly focusing one-sided attention on particular instances where some workers have monopolistically gained unearned income, without looking at the other side of the expense to the rest of the community, that a contribution of labor monopoly to workers' well-being can even be plausibly reasoned.

As for the record, from 1840 to 1930, a period when we had little unionism, wage rates increased seven-fold while prices rose about 20%. It was the competitive bidding by employers for scarce labor which raised wages and not labor unions.

Wages constitute 70% of all costs and labor gets about 70% of all incomes; the balance going to farmers, and the recipients of interest, pensions, dividends and the like. Clearly there is very little room for increasing the share going to labor by redistributing income, forcibly or otherwise.

In fact, the Department of Commerce figures show that in 1939, after a deluge of pro-labor legislation and unmitigated official support for unions, wages and salaries

constituted almost exactly the same proportion of the national income as they constituted either at the bottom of the depression or in the 1920's. It appears to be a pure delusion that the labor movement, even with all the support given to it by the Administration since 1933, can increase labor's share of the pie. Workers as a whole can only get more by helping to produce more.

If these are incontrovertible facts, why does the contrary idea persist? Why does Robert Nathan act as though he believed these facts not to exist? Why do the unions go after higher and higher wages?

One answer is that an *individual* union can, of course, increase its share of the national product and perhaps all unions hope and believe they will in time fall into that category. But for a more comprehensive analysis of the reasons for the survival of the idea, we must push the analysis a little further.

The Naive Purchasing Power Theory

Ideas are weapons—for good or evil. The notion that the labor movement is a device for maintaining purchasing power grows primarily out of the human tendency to reason from the particular to the general. If you as an individual had more purchasing power, you could increase your buying, thereby providing better markets and more jobs. If this is true of an individual, why not for all individuals?

Actually, the reasoning may not even be true for you as an individual, because your increased income would have to come out of someone else who paid your income, unless your rise in income is offset by greater productivity. Thus there is no net increase in purchasing power. Basically, money is not income or purchasing power—in the final analysis only goods and services produced are real purchasing power—a fact which we had a good chance to learn during the war when we had coupons and money, but little butter, sugar or meat on the retail shelves.

Furthermore, everyone's income is a cost to someone else. Your income and my income must come out of the product of others in an exchange economy such as ours. Any rise in income must be at the expense of someone else in society, unless offset by a rise in output. Thus the notion that by raising wage rates the income of the workers as a whole can be raised rests on a nebulous foundation.

Some labor leaders and the rationalizers of their views, like Robert Nathan, support the purchasing power theory from the standpoint of preventing depression. Thus Walter Reuther recently states:

> "Labor, anticipating the trend, launched a post V-J Day offensive in the economic field calculated to offset the decline in take-home pay and purchasing power suffered with the war's end. This represented *the second step in* a long term process of effecting a more equitable distribution of the national income, which would release to the lower-income groups *purchasing power lying dormant in corporate coffers and in the vaults of private investors.* (Italics supplied).[1]

The CIO-Nathan report (December, 1946) predicted a catastrophic depression if wages were not raised by some 25% in 1947. While the figures in this report were essentially accurate, a tortuous interpretation was placed upon them which has tested the credulity of thinking people everywhere.[2]

Wages must be raised, this report said, or we will go into depression. Profits were too high, it was said, to sustain prosperity.

This naivete is beyond comprehension. Indicated net profits for 1946 will actually be a smaller proportion of the national income than in previous prosperous years going back as far as 1909, 1923 or 1929. In the period 1929 to 1945 corporate net profits constituted only 4.9% of the national income, while wages constituted 69.6% of the national income. Even if all profits could be transferred to the pockets of the employees, the increase in wages and salaries would be modest indeed. It is this small fraction of the national income, less than 5%, which the Nathan-CIO group would like to grab. Year in and year out stockholders get only about half of this 5%, or under 3% of the national income, since in a growing society nearly half of the corporate income is plowed back to provide new tools and jobs.

Wage Motive vs. Profit Motive

Until the 1930's our Government and laws were based on the theory that the best way to promote the public welfare was to create an environment under which enterprise was fostered. By making property secure, investment in productive facilities would flourish and an adequate volume of well-paid jobs would tend to follow. Each person was privileged, within his means and ability, to become job-maker, job-seeker or self-employed. A scarcity of jobs would be corrected by more investment in job-making facilities. There were weaknesses under this system; it did not operate perfectly. Temporary setbacks occurred. But few men would say that what we substituted has the earmarks of perfection.

In the 1930's when we had a shortage of job-makers and a surplus of job-seekers we tried to correct the imbalance by making the life of the job-maker tougher and the life of the job-seeker easier and more pleasant.

We used to believe that the wage motive would cause a man to take a job if the profit motive first creates the job.

This current attack on profits involves more than meets the eye. If the profit motive is liquidated as a guide to the allocation of our resources and as a stimulus to cut costs and eliminate waste, then the only alternative is the direction of production through bureaus, directives and orders; and the incentive to efficiency will largely disappear.

For this reason, businessmen and all others who believe that (in spite of all the shortcomings under our system) we have the best system of government and economy on the planet, should leave no stone unturned in the effort to help people generally to see the inseparable nature of freedom, liberty and economic progress on

[2] See *Business Action*, Dec. 23, 1946, Chamber of Commerce of USA, for a complete analysis.

the one hand, and the effective functioning of the profit motive under a free, voluntary private enterprise system, on the other hand. Merely to assert such inseparability is not enough; we must equip ourselves to expound this inseparability so that it will carry conviction with the thought-leaders of the community and the common man, who has not yet been corrupted by the disaffections of the intellectuals among the writers, teachers, clergy and actors.

The foundations of our society are not being destroyed by the common man, the average man or the so-called proletariat. The corrosion is coming from a vast complex of spiritually homeless middle class intellectuals, whose essentially vacuous lives, drive them into channels whereby they gain their "significance", "recognition" and "reason for being" by criticizing and undermining the society which gave them birth and which provides them the freedom of speech, of the press and the wherewithal—so that they can destroy it.[3]

There is still a considerable amount of decent, American collective bargaining going on uninfluenced by ideology and class-consciousness (in this country) on a local, plant and company basis.

The corrosive forces emanate, and the dangers, both immediate and ultimate, come from "national wage policies", nation-wide wage manipulation and industry-wide collective bargaining, and the labor organizations which sponsor them. These types of collective bargaining on a broad scale across the board will probably be found incompatible with the survival of our way of life.

There are some employers who favor industry-wide bargaining, knowing that such bargaining may tend to hold an umbrella over them. But such bargaining tends to slow down economic progress; it reduces labor and capital mobility and it fails to give to an employer or a region the full benefits of their advantages as to location, superior resources and the like; and it does not encourage full employment because we have innumerable local labor markets in each of which flexible adjustments are necessary to absorb the total labor supply.

Industry-wide bargaining also encourages the cartellization of both labor and management in a conspiracy against the consumer. Industry-wide bargaining may bring a type of temporary stability to an industry but the notion that it brings stable industrial relations has been belied by the events in both the railroad and the coal mining industries. The notion that such cartellization of industry and of collective bargaining can liquidate the business cycle finds no support in England, Germany and other countries in which it has been tried.

Address before Industrial Relations and Production Conference, Philadelphia, January 14, 1947, by Emerson P. Schmidt, Director, Economic Research Department, Chamber of Commerce of USA.

[3] For an excellent analysis of the corrosive forces and the undermining of our way of life see: ***An Appraisal of the Fatalistic View of Capitalism***, Machinery and Allied Products Institute, Washington, D. C.

Does your Boss "encourage" you or does he "tell" you—what to do, when to do it and how to do it? Perhaps we can learn something from the Japanese about the nature of supervision.

Are You "Encouraged"?

By Bernard Sless, U. S. Employment Service.

American government officials recently spent some time in Japan, assisting the Japanese in re-instituting their Labor Exchanges. Difficulties of interpretation were numerous in their discussions of administrative and supervisory problems, but one striking interpretation holds interest for every man in business or government who is a supervisor. "In numerous discussions with Japanese Officials", one American wrote,[1] "we found that when the word 'supervision' was mentioned in English the interpreter would end up talking about 'encouragement'". When questioned further, the Japanese explained it somewhat as follows: "When a superior official would visit one of the local labor exchanges he would sit down with the manager and 'encourage' him to do certain things if the conversation developed along appropriate lines". This encouragement, according to the story, would be given while the officials drank tea together.

How quaint such a custom is, we say to ourselves. Another example of Oriental backwardness. The American government official thought so too, since he writes in conclusion, "Needless to say, the Japanese Ministry of Welfare officials were thoroughly briefed by the committee on the meaning and technique of administrative supervision". It is no doubt true that methods of organization are woefully backward in the land of our former foe, but it would seem that there is a wonderful moral in this story for the American businessman of today. Think a while about the relationship between supervision and encouragement. Recast your formalized supervisory procedures to include the idea of "encouraging the employee". A little analysis will reveal that for all the backwardness that drinking tea during business hours may connote, we have much to learn if we could begin to interpret "supervision" to mean "encouragement".

Marshall Dimock, in his recent excellent treatise "The Executive in Action", put this interpretation in writing when he states, "The task of the executive . . . . is to give every employee a clear understanding of what his assignment and opportunities are, to encourage him to use his full capacity in working out the details of his job, to let him know that he will be rewarded for extra effort and

[1] Wellemeyer, J. F., "Introducing Supervision." Employment Service Review, January, 1947, page 4.

ability, and that he will not be reprimanded for an occasional mistake if he is doing his best and showing qualities of initiative".[2] Supervision in this country has suffered much from the military influence—from the belief that supervision involves "the voice of command" and the worship of rank. In the Army Officer Candidate Schools that candidate was rated highly whose voice could carry across a wind-swept field. Lectures, of course, stressed the need for understanding of the men and proper handling of the group, but "the voice" got the vote in the minds of many old-line officers.

So in industry and government, we find the supervisor who masks his own inefficiencies and deficiencies by commanding, losing his temper, threatening, "pushing his weight around". He's the one who needs his desk out where he can "keep an eye on things", because he knows very well that the minute he's out of sight the work slows down. It is an easy out to blame labor unrest, employee ingratitude, fat pay envelopes and Communists for poor production. It is more difficult to examine the supervisor's attitudes and methods and see that his human relations technique is the root of the trouble. If encouragement were made the keynote of supervision, from the foreman's level to the president's level, much of the present-day labor difficulty could be made to disappear like the snows of spring-time.

Let's translate this concept into action, and see what it would entail in the ordinary course of the supervisor's day. In general, the functions of the supervisor can be stated as (paraphrasing Beaumont[3]) planning and directing the work to obtain maximum production or service with a minimum of effort and waste. Encompassed in this definition are such matters as determining materials, scheduling production, training operators, developing methods, making work assignments and maintaining morale. This listing is not all-inclusive, and would vary considerably depending on the level of supervision involved and the type of work being done. But for our purposes it is sufficient. Now, where would encouragement fit into the daily picture? "Developing methods" makes a good start. This would appear to be strictly a logical operation of determining the "best possible way". But so often we forget that the "best possible way" must be carried out by a human being under someone's supervision, not to mention that many times that human being carries in his head the "best possible way".

So, let's substitute encouragement for supervision. An approach can immediately be made by the supervisor. Sit down with the employee. Maybe you wouldn't drink tea with him, but you could have coffee with him during a rest period or at lunch-time. (Well, well, maybe the Japanese are right after all!) Now, give your voice a rest. You do so much talking, now it's time for listening. Begin the encouragement, relating it to what the employee has been doing every day. How he's doing it and what's being accomplished by him. Don't forget, let him talk—it's his turn! People are funny that way—given an opportunity and some sym-

[2] [illegible] Marshall E., "The Executive in Action," p. 1[illegible]3. Harper & Bros., New York, 1945.

[3] [illegible] "The Psychology of Personnel," Beaumont, Henry, Longmans, Green & Co., New York, 1945.

pathy, they'll usually say the most revealing things if they feel their thoughts are falling on fertile ground.

The first things you'll hear will probably be complaints about how he could do a better job if the material came more quickly to him, or he didn't have to stop so often to get the finished pieces out of the way, or if the boss would stop buying such poor stuff. These are the impersonal factors, the ones you know about because you sit in on supervisory conferences and know why the situation is the way it is. But, hold everything, don't go on the defensive right away by explaining that this all isn't your fault! Remember, this is *supervision by encouragement* now, so take the next step and let him tell you what he thinks should be done to handle the situation. You're not infallible, and he might give you just the method you need to present at the next supervisory staff meeting.

Need I go on? Experienced leaders and executives can spot the points in the above example where the usual supervisor will revert to "the voice of command". Where he will, consciously or through force of habit, give the "right" answers at the "right" time. Too often our supervisory force, from top to bottom, have been schooled in defensive tactics when dealing with the supervised. Rarely have they been taught the technique of getting the other fellow to talk, and guiding his thoughts along the channels of constructive thinking. Supervisors should take to heart the formula of the domestic beloved by her employers and friends, who said, "I always chew my words a bit before I let 'em past my teeth".

Each of the factors of supervision can be analyzed in relation to the word encouragement. The word itself is unimportant—the connotation is all-important. So hereafter, when you say "supervisor", think "encourager"; when you say "supervised", think "encouraged". You'll be surprised at the results in better human relations.

"Personnel" is concerned with people and their problems. Personnel men, therefore, should be equipped with basic theoretical knowledge derived from the sciences which study man—psychology, psychiatry, sociology, anthropology and statistics.

Principles *in* Manpower Utilization

By Louis L. McQuitty, Department of Psychology, University of Illinois

I. Misuse of Manpower

Manpower can make or break a company. Manpower is the commodity most misused by management today. It is misused in that management is not realizing the potential values that manpower has to offer. This is because management is not taking full advantage of the techniques and methods available for early assessment of employees' potentialities. Consequently, training investments are often made in individuals who do not represent the greatest potential returns. Inappropriate promotions are made which disturb morale and result in lowered output. The classification of work into jobs and positions is often based on inappropriate principles, or develops haphazardly as the company grows. In both such cases, the difficulties in realizing the company goals are increased, as are also the personality frustrations and conflicts a condition which often leads the most capable individuals to search elsewhere for employment and development.

The defective personnel conditions just described exist because many personnel departments, or employment departments, are not manned by qualified individuals. Qualified individuals in this area are very scarce. This is true for two reasons: first, because the most effective methods and techniques in personnel management are of recent development, and, secondly, because proper utilization of them requires high level specialization to such an extent that many men now in the personnel management field find it difficult to keep abreast of them.

If the general manager is to take full advantage of the methods and techniques that social sciences now have to offer him in the area of personnel management, he must be capable of proper evaluation of his personnel department in the light of what has recently become available to assist his personnel men. He must have a survey appraisal of the problems, modern methods, techniques, and philosophies pertinent to proper manpower utilization. This paper gives one such survey, designed to assist the company general manager to evaluate and improve his company personnel program.

II. Selection—A High Level Specialization

There are several characteristics concerning the field of personnel selection with which the general manager must be familiar in order to assure himself that proper use is being made of information, techniques, methods, and developments that are available in personnel selection. Some facts with which the general manager should be familiar are outlined below.

Personnel selection is a high level specialization. Present-day knowledge in the field of personnel selection is based on advanced studies in biometry, statistics, psychology, psychiatry, sociology, and anthropology. Despite this high level specialization, everyone knows something about personnel selection. The difficulty is that few people realize their marked limitations. Proper utilization of the instruments, methods, and techniques available in personnel selection requires supervision by one who has completed several years of college work beyond the bachelor's degree. The graduate study should include advanced statistics, psychology, and some psychiatry as a minimum. This qualifies the student as an expert, but not as a *practical* expert. His efforts should be supplemented by someone who has developed in the industry and company concerned. The latter individual can be trained as a personnel technician by the former. Together they can develop an efficient, practical personnel program.

A. Specialized Methods

There are several specialized methods with which the general manager should be familiar. This is true because they are so often either misused or completely neglected. Some of them are discussed below:

1. Misuse of Psychological Tests. Psychological tests are instruments for measuring human abilities and characteristics. Their effectiveness can be accurately stated in mathematical quotients. Ignorance of available information concerning them is the only excuse for their widespread misuse.

2. Statistical Methods Essential. Advanced statistical methods are essential in the proper installation and supervision of testing programs. Advanced statistical methods are used for the following purposes:

a. To determine the effectiveness of various tests in any company personnel program.

b. To develop tests appropriate to the needs of particular companies.

c. To integrate merit ratings, job evaluation standards, and test results.

d. To isolate information for improving merit rating systems and psychological tests.

The most advanced and most promising statistical methods appropriate to these investigations have not been widely used because they are of recent development and few personnel people are schooled in them.

3. Interpreting Psychological Test Scores. Test scores are measurements. In addition, they are symptoms. As symptoms they give information as to the direction an interview should take in order to isolate additional significant facts. Test

scores are symptoms in the same sense that a fever, a pain in the right side, and a high white corpuscle count are symptoms. Each test score must be interpreted in the light of all other test scores, and in the light of information obtained through interview. This represents the diagnostic approach and requires unusual training and experience for maximum efficiency.

4. *Effectiveness of Employment Interviews.* Effective employment interviewing is a high-class art based on the study of psychology and psychiatry plus supervised training over a period of years. Unfortunately, everyone feels that he can interview because he considers it to be merely questioning people. He is unfamiliar with the many specialized methods and techniques developed in recent years. He is unable to fully realize his marked limitations.

B. Job and Position Appraisal

In addition to familiarity with some of the techniques in determining human abilities and characteristics, the general manager should know something about the role job and position requirements play in personnel selection. Some aspects of this are discussed below:

1. *Essential to Proper Selection.* Personnel selection is finding persons who possess the abilities and characteristics required for proper functioning in jobs and positions. The requirements of the jobs and positions must therefore be known. Two methods are available for determining some of them. The methods are most effective when used as complements, one to the other. One method is a detailed description of the duties, responsibilities, and requirements of the jobs and positions. These should be prepared by an expert analyst. A defect in this approach is that it relies too much on human judgment to determine the requirements for proper functioning in the position. This defect is largely overcome by also using the other approach. This latter approach involves measuring, by means of psychological tests, the abilities and characteristics of persons who are filling the jobs and positions. The persons tested must not be restricted to any one company, because there are peculiarities operative which unjustly affect the results. These peculiarities include the fact that some foremen may be insisting on personnel with higher abilities than needed. Other foremen may be getting by with sub-average personnel. These company peculiarities are largely overcome by taking samples of personnel from several companies. The results should be interpreted in the light of the present and recent status of the labor market and in light of the output of the personnel examined. The psychological tests for this purpose should be carefully selected by a psychologist in the light of the job and position descriptions. The effectiveness of the tests is determined by means of a statistical study of the results. The tests must reveal statistically reliable differences between occupational groups and between persons of different levels of efficiency within the same job or positions. Tests that do this can be used as aids in personnel selection and placement.

2. *Sociological Factors.* In addition to the requirements of jobs and positions as determined by the duties and responsibilities discharged, there are many sociological factors. These refer to the social environment of the organization in which person-

nel must fit themselves. There is no adequate method of measuring such factors, but trained specialists who serve in many companies have a background which assist them in their evaluation of such factors. Such specialists are better able than other persons to consider these factors in selecting new personnel.

3. *Supervisory Factors.* Equally important as the sociological factors are the supervisory factors. In general, every supervisor should be near the top in some of the abilities required of the personnel which he supervises. In addition, he must have a knowledge of how to supervise, and he must have a personality which leads him to use this knowledge most effectively. Personality characteristics are not measurable with any practical degree of validity. Personality can be evaluated by the trained interviewer who has made a study of personality development. His specialized knowledge, methods, and techniques make him more effective than those who have been more concerned with many other problems. He is more effective for two reasons. He is able to accumulate more significant information during the interview because he is adept in specialized professional techniques. Also, he has a more complete knowledge of the meaning of the information he derives from his interview. He gains the significant information by leading the interviewee to relate the significant experiences in the development of his personality. He can estimate the relative success of the personality more effectively than others because he has more significant information and a more complete understanding of its meaning.

In selecting supervisors, consideration should be given to the characteristics of the people he is to supervise, and in selecting subordinates, consideration must be given to the characteristics of the supervisor. Not all effective operators can work effectively under all supervisors, and not all effective supervisors can be effective with all operators. Individual human relationships as well as sociological factors must be considered in personnel selection and placement. These are not measurable effectively by means of psychological tests, but the personnel expert can evaluate human relationships with a practical degree of validity. He can be more successful in this respect than those who are more concerned with other problems.

III. Promotion and Development

Effective selection methods, as outlined above, are essential to proper promotions and development of personnel. This is true because a program of within-the-company development depends on securing personnel with potentialities over and beyond the requirements of the positions for which originally chosen. Most companies desire a program of company promotions, but handicap their possibilities because their future needs were not considered when making earlier selections. They often restrict themselves unnecessarily to an inappropriate group from which to select personnel for promotions.

A. A Planned Program

The program of promotions and development should be a planned program. Detailed records should be kept over the years, and appropriate statistical methods

should be applied to them in order to forecast future personnel needs. Future personnel needs, as well as present needs, should always be considered when employing new personnel.

Through approaches similar to this, companies can realize a tremendous financial saving and a reduced turn-over of personnel. Such an approach prevents wasted time and money in training and attempting to develop personnel who lack the basic qualifications. It reduces dissatisfaction resulting therefrom, and it reduces dissatisfactions in another group of persons. A planned selection and development program as guided by forecasted needs helps to prevent selecting personnel who can never realize their potentialities in the organization.

B. *A Common Error*

Many companies follow a defective method in programs of development and promotions. They often accept successful performance in a job or position as the best index of success in the next higher level job or position. This principle is deficient in several respects. The lower level job or position often does not require all of the same capabilities, and usually does not require common capabilities in as high a degree. Very significant in this connection is the fact that many individuals work most effectively in jobs or positions which challenge the near-top level of their capabilities. This often results in such individuals being more outstanding than their more capable associates who are not being sufficiently challenged by their positions. The former are promoted and decrease in efficiency. If the latter were promoted they would have increased in efficiency.

These mistaken judgments in promotions are often extremely costly. They lower efficiency in the position concerned and in the people who serve either under, or who coordinate with, the one who has been unjustly promoted. Subordinates or coordinates often realize the mistake long before those responsible for it. Management often fails ever to recognize the mistake. This is because management blinds itself to the mistake. Management is convinced that the man promoted is exceptional, otherwise he could not have done so well in the next lower level job or position. Management looks elsewhere for the cause of difficulties which arise out of a defective promotion policy.

C. *Graduating Jobs and Positions*

The defects in the promotional policy can be remedied. There is definite value to be derived by appropriately using success in certain jobs and positions as one index of possible success in other placements. Effective use of them requires that jobs and positions be arranged systematically in graduated steps for promotional purposes. This arrangement is usually different from the organizational structure which is essential to show lines of responsibility. The latter cannot be effectively used in lieu of the former. The former can be developed through proper statistical and analytical treatment of the results from job and position evaluation studies, merit rating systems, and psychological testing. It results in arranging jobs and positions on a chart in carefully graduated steps so far as the various requirements are concerned. The chart shows the most effective channels of promotion. It

shows which jobs and positions train individuals most effectively for each of the next higher level positions. It indicates the positions in which success is indicative of further success in specified higher level positions. The chart does not change the organization chart showing lines of responsibilities. It is an additional chart which indicates the most effective lines of promotion.

D. The Long Range Policy

As the above points indicate, proper personnel utilization requires long-range planning. Companies are highly specialized institutions. They have their individualized, highly specialized jobs and positions. They have their philosophies and social patterns. Within-company development is a prerequisite for a percentage of high level executives. These persons must be brought into the company during their twenties or teen-ages and developed through training and through job and position placements. The cost of such training can be reduced at least fifty per cent by appropriate planning. The following techniques and methods are essential to proper economy in the program:

1. Statistical methods to predict needs and determine effectiveness of instruments used.
2. Psychological tests.
3. Graduation of jobs and positions according to requirements.
4. Personnel evaluation by psychologists.

The first three items have been discussed. The fourth item, personnel evaluation, provides such information as the following on individuals evaluated:

1. Upper limits of potential development
2. Deficiencies
    a. Those which can be improved and how
    b. Those which cannot be improved and why
3. Channels of job and position development which represent maximum potentialities
4. Attitudes toward remaining with the company

Psychologists can do this work, in which they are specialized, more effectively than individuals in other fields of endeavor. They can do it more effectively because they have specialized tools to assist them and because they have developed special skills and abilities in their applications.

IV. Integrating the Personnel Program

There are several important, distinctive aspects of personnel programs to be considered if the values listed above are to be fully, or often even partly, realized. The general manager must be acquainted with these considerations in order to properly develop and supervise his program in personnel services. These considerations are listed below.

A. A Distinctive Aspect

The program of personnel services is different in one respect from the programs of all other services, departments, or divisions. It is much more intimately con-

cerned with the prerogatives and responsibilities of all directors, managers, executives, supervisors, and foremen. These responsibilities and prerogatives, having to do with the handling of personnel, are the very ones which most people hold rather dear to them. Some take the attitude that they need no assistance in matters of this nature. No other service or department has these same problems to the same extent.

B. The Personnel Team

The above considerations mean that the Director of Personnel Services should be a very high caliber individual in order to effectively sell himself and his program throughout the company. In addition, as indicated by the earlier, more technical discussion, he should be a highly trained professional man. His professional knowledge should be balanced by a keen appreciation of the practical, and his efforts should be supplemented by personnel technicians who have grown up in the industry and company concerned. He should select them on the basis of their backgrounds of within-the-company experience, their personalities, and their intellectual abilities. They must be intellectually keen, interested in their work, and capable of selling themselves and their program. They can be trained on-the-job for routine testing, routine interviewing, routine record keeping, and routine collection of data. They can be gradually developed under expert supervisors for routine psychological responsibilities. The training should include the development of keen awareness of limitations in both abilities and responsibilities plus ability to recognize deviations from the routine. They should bring all deviations to the personnel expert for appropriate study, action, and guidance.

In addition, these technicians should be grounded in the fundamental principles of personnel work; its philosophies, its values, its contributions, and its practical applications by all supervisory personnel. The personnel expert and his staff must sell their program throughout the organization. This involves developing all supervisors, from top management down, into a team more effective in personnel relationships. They are more effective because they are provided with the best tools and information available in the field of personnel administration.

C. Authority vs. Service

As the above comments indicate, all supervisors are personnel administrators even though this is not their principal function. Since it is not their principal function, and since personnel administration is company wide, a Personnel Service Department is established. The Director of this Department is to serve all supervisors. He should have no authority, other than over those who work for him in his own department. He and his personnel should keenly realize this at all times, and should act accordingly. He and his personnel are to serve foremen, supervisors, directors, executives, and managers throughout the organization. This same point should also be realized by the latter named personnel, else some of them are apt to shift some of their authorities and responsibilities over to the Personnel Service Department to the detriment of the efficiency of their own departments. The Personnel Department represents a source for assistance, but the individual supervisor and his line superiors remain the final authorities on what aspects of the Personnel

Department are to be utilized, and they take responsibility for what they use or fail to use.

The Director of Personnel and his staff serve in ways similar to the following:

1. They represent the company in its contacts with the community on personnel matters.

2. They channel job and position applicants to the appropriate selection authorities.

3. They furnish information concerning applicants which enables foremen, supervisors, executives, managers, and directors to raise their batting averages in effective personnel selection and promotion.

4. They assist in the occupational placement and personnel development within the company to the end that personnel turn-over is greatly reduced.

5. They accumulate information on morale and attitudes, concerned with such matters as absenteeism, let-downs, and strikes, to the end that appropriate authorities can remedy developing situations before they become acute.

6. They give courses of instruction in such subjects as "Man to Man Relationships."

7. They prepare job and salary evaluation standards to the end that personnel disturbance over this matter is reduced.

8. They can render all normally appropriate union benefits to the end that the posibility of union disruption is minimized.

9. They can standardize personnel programs without encroaching upon the authority and prerogatives of others.

10. They increase efficiency, raise morale, and save money to the benefit of all concerned.

V. Top Management Responsibilities

In order to realize the services and values outlined above, the general manager must accept several definite responsibilities, as outlined below:

1. He must provide an expert personnel consultant, a highly trained professional man with unusual practical ability. In the larger companies this man should be the Personnel Manager. In smaller companies he should be available as a consultant, on a full-time basis for a short period when the program is developed, thereafter on a retainer arrangement.

2. He must insist that the personnel program be integrated as a service only, and that it does not disturb channels of authority and responsibility.

3. He must have statistical summary reports made to him revealing the influences of all major aspects of the personnel program.

4. He must keep up-to-date on the fundamental principles of a personnel program, its values and contributions, to the end that he can properly evaluate his own program.

General managers who do not accept the responsibilities outlined above are neglecting one of the greatest potential values available to them in this day of personnel, sociological, and political unrest.

Compulsory arbitration in New Zealand has been accompanied by more wartime strikes, not less. It has hindered rather than promoted collective bargaining and, so, is a danger to free enterprise.

Compulsory Arbitration *in* New Zealand

By Leonard Cohen, Chairman, Department of Psychology, Triple Cities College of Syracuse University

New Zealand was the first country to adopt state-wide compulsory arbitration of labor controversies. The Industrial Conciliation and Arbitration Act of 1894 passed by a pro-labor government, provided for compulsory arbitration of disputes between unions and employers who registered under the act. Disputes first were referred to conciliation boards, and if not settled by conciliation were referred to the Court of Arbitration for final and binding decision. Registration under the act was not compulsory and could be withdrawn at any time, but it was encouraged by giving registered groups certain privileges, e.g. closed shops, and the making of strikes and lock-outs illegal. The Act of 1894 was amended in 1905 to provide that any worker or employer bound by an arbitration award or collective bargaining agreement who participated in a strike or lock-out was liable to a fine.

In 1913, the Labor Disputes Investigation Act, which made conciliation compulsory for all disputes not covered by the Act of 1894 and prohibited strikes until after the conciliation process, required workers to give seven days notice to the employer of their intention to strike.

Compulsory arbitration, under the blow of the world depression, was abolished in 1932. A system of voluntary arbitration was substituted for it. But the Industrial Conciliation and Arbitration Act of 1936 re-established compulsory arbitration, restricted dual unionism and established compulsory union membership for workers subject to an award or collective agreement. This act also established a basic forty hour work week and stated that minimum wage rates would be set by the Arbitration Court at a "fair and reasonable standard of comfort." An amendment of early 1939 provided increased penalties for unions or employers participating in work stoppages in disregard of the law on compulsory arbitration. Unions were made liable to cancellation of their registration as well as of all awards and agreements to which they were a party.

From 1934 to 1938, New Zealand suffered an average of forty strikes per year,

affecting an average of 7,249 workers, lost an average of 22,261 man days each year, with an average of man days lost per strike of 557.

Thus, with the laws and experience described above, New Zealand entered the war. New Zealand applied the basic principles of the peacetime labor dispute control system to the formation of wartime dispute regulations. But the war controls were more restrictive. The prohibition of work stoppages became all inclusive, and union membership, to better control worker discipline, became compulsory. These changes were brought about by a series of regulations issued under the authority of an enabling act and by an amendment to the Industrial Conciliation and Arbitration Act of 1894.

In September, 1939—immediately after New Zealand's entry into the war—the passing of the Emergency Regulations Act empowered the government to make regulations for securing the public safety and assuring the efficient prosecution of the war. Certain labor regulations were issued under this law. One such regulation empowered the Minister of Labor to suspend the provision of any act, award, or collective bargaining agreement in so far as they relate to conditions of employment. Another such regulation, "The Strike and Lock-out Emergency Regulation" of October 4, 1939, prohibited participation in and encouragement of *all* strikes and lock-outs. A special tribunal was appointed to adjudicate and settle disputes which, in the opinion of the Minister of Labor, would be likely to result in a strike or a lock-out.

The entrance of Japan into the war with New Zealand led to an increased extension of government controls in all phases of national life. In 1942, attendance at "stop-work" meetings unauthorized by an award or collective industrial agreement was prohibited. "The Industrial Disputes Emergency Regulations of September 4, 1942" established a National Emergency Disputes Board which could of itself or at the request of the Minister of Labor, investigate any vital dispute and hand down a decision which was to be final and binding even if in conflict with an industrial agreement or an award of the Arbitration Court. All work stoppages resulting from a dispute were prohibited. An amendment to the "Industrial Conciliation and Arbitration Act" passed August 26, 1943 provided penalties for workers failing to become members of a recognized trade union if a union existed in the industry in which the worker was employed. Heretofore, all employees had been required to become members, but no means had been specified by the law to enforce this requirement.

Penalties, provided by the law, in the case of violation of the acts and regulations, varied with the ordinance violated. For example, violation of the "Strike and Lock-out Emergency Regulation" provided up to three months imprisonment or a fine not exceeding fifty pounds in the case of an individual, nor two hundred pounds in the case of a corporate body. For violation of the regulation prohibiting attendance at an unauthorized stop-work meeting, the penalty for an individual was to be imprisonment for not more than three months or a fine of not more than fifty

pounds, and a further fine not to exceed five pounds for every day during which the offense continued, and for a company the penalty was to be a fine of not more than two hundred pounds and a further fine of not more than twenty pounds for every day that the offense continued. In case an emergency regulation did not prescribe penalties, persons who violated the regulations were liable to twelve months imprisonment or a fine of one hundred pounds, or both.

But penalties were rarely imposed. The government's foremost consideration has been to obtain a rapid settlement of strikes and a prompt resumption of work. Strike threats themselves often resulted in concessions to the union in an effort to avoid the strike. For example in the fall of 1943, an extra weekly ration of butter was granted to the West Coast Timberworkers' Union following the union's threat to strike if its members were not granted double the standard ration. Up to July, 1942, prosecution followed strikes in only five cases (out of about one hundred fifty stoppages), and (according to Hare) in these five cases, few actual sentences of fines or imprisonment were actually carried out. In the most recent case, penalties were enforced against the union but not against individual strikers. When bus drivers refused to work on Sunday, even though ordered to do so by the Arbitration Court, they were not penalized. Their union, however, was "deregistered" depriving it of the benefits enjoyed by registered unions.

Labor participation in the formulation of wartime dispute regulations was quite extensive. At the outbreak of the war, an Industrial Emergency Council was established to advise the Minister of Labor on any matter he might refer to it. This Council consisted of eighteen members, nine each of employers and workers, who were appointed by the Minister of Labor with the object of securing an advisory body composed of those best qualified to deal with labor questions, and not as representatives of any particular organization. The majority of regulations and orders affecting labor conditions were made with the approval of the Council.

Wartime strikes were more frequent than peacetime strikes, despite the stringency of the regulations. The average number of strikes per year increased 73% to 69 from 40. The number of persons affected by strikes increased from 7,249 per year to 13,327—an increase of 84%. Man days lost per year also increased, but only 57% from a peacetime average of 22,261 to a wartime average of 34,914. However, the average number of man days lost per strike decreased by 9% from a peacetime average of 557 to a wartime average of 506. Although the average wartime strike affected more persons, it was shorter than the average peacetime strike. The greatest number of strikes took place in the coal mining industry, which was the center of the most serious industrial disturbances.

Of course, it is most difficult to evaluate New Zealand's compulsory arbitration during wartime. It seems significant, however, that even with a long peacetime history of compulsory arbitration, the number of wartime strikes has not been less than the peacetime average. This is especially important when one considers the fact that a strike in New Zealand was a criminal offense, and both strikers and their leaders were threatened with rather severe jail sentences.

A question naturally arises as to whether or not outlawing work stoppages (strikes) altogether is at all effective in preventing strikes. Some light may be shed on this question by comparing the percentage change from the peacetime average number of strikes to the wartime average number of strikes in countries that permit

TABLE 1

Industrial Disputes in New Zealand, 1934–1943*

YEAR	NO. OF STRIKES	NO. OF WORKERS	MAN DAYS LOST IN STRIKES	AVERAGE MAN DAYS LOST PER STRIKE	INDEX 100 = 1939	
					No. of Strikers	Man Days Lost
1934	24	3,773	10,393	433	36	19
1935	12	2,323	18,563	1,547	18	35
1936	43	7,354	16,980	395	65	32
1937	52	11,411	29,916	575	79	56
1938	72	11,388	35,456	492	109	66
1939	66	15,682	53,801	815	100	100
1940	57	10,475	28,097	493	86	52
1941	89	15,261	26,237	295	135	49
1942	64	14,282	51,436	804	97	96
1943	69	10,935	15,003	217	105	28
Peacetime Average 1934–1938	40	7,249	22,261	557		
Wartime Average 1939–1943	69	13,327	34,914	506		
Percentage Change from Peacetime to Wartime Average	72.5%	83.8%	56.8%	−9.2%		

* Adapted from N.W.L.B. Research and Statistics Report #22, June 9, 1944.

TABLE 2

*Percentage Change from Peacetime to Wartime Average**

	NO. OF STRIKES	NO. OF WORKERS ON STRIKE	MAN DAYS LOST IN STRIKES	AVERAGE MAN DAYS LOST PER STRIKE
New Zealand	72.5	83.8	56.8	−09.2
Australia	96.5	159.4	30.0	−33.8
Great Britain	61.0	26.3	−29.5	−56.2
Canada	48.3	159.0	10.9	−25.2

* Adapted from N.W.L.B. Research & Statistics Report #22, June 9, 1944.

wartime strikes (even though under certain limitations) and countries that do not permit wartime strikes under any conditions. Since New Zealand is a British Dominion it is necessary to compare its experience with other British countries. These comparisons can, to be sure, in no way be definitive. They really are more qualitative than quantitative.

Even though wartime dispute controls in Great Britain, Canada, Australia, and New Zealand virtually prohibit all work stoppages, the only country in which all stoppages are illegal is New Zealand. Some strikes are still legal in the other three countries if certain conditions are met. Yet the increase in the average number of wartime strikes over peacetime strikes was higher in New Zealand than either Great Britain or Canada and lower only than in Australia. Table 2 will summarize the experiences of the countries in question. It also will be seen from table 2 that in New Zealand the increase in man days lost by strikes was much higher than in any of the other countries. While the average man days lost per strike were reduced in New Zealand by 9.2%, this was reduced in the other three countries by from 25.2% to 56.2%.

On the basis of these experiences, one might hazard a tentative conclusion that absolutely outlawing strikes and introducing compulsory arbitration are not by themselves adequate ways to reduce the number of strikes or their severity.

And in addition, unions are deprived of their rights to bargain collectively with individual employers, or to withhold the services of their members (even though that might be the free desire of the individual members) from the labor market. It is also important to note that when a country adopts a system of compulsory arbitration, strikes or threats of strikes *become*, in reality, ***strikes against the government*** and not against individual employers. This fact was well realized (and utilized to advantage) by labor leaders. For example, the secretary of the West Coast Sawmill Workers Union in 1943, in reply to the Minister of Supply and Munitions' criticism of a threatened strike by the union, stated that he would tell the Minister of Supply that he had not known any government in the country that could fool all the workers all the time into believing that strikes or threats of strikes have not compelled governments to act. Subsequently, the government granted the union's demands. If such a strike is not tantamount to revolution, at least its threat or occurrence—especially if concessions rather than punishment are won thereby—precipitates a disrespect for the government, its laws, and administrators. The more law abiding unions who do not violate the law to go on strike get no reward by abiding by the law and, in comparison to the law breakers, are punished by having their demands denied, while the law breakers are rewarded by having their demands met.

Indeed, the situation described immediately above has served to lower morale. The newspaper of the Amalgamated Society of Railway Servants of New Zealand editorialized when the West Coast Sawmill Workers received concessions that their own society's sense of frustration was not assuaged, nor was their dissatisfaction dispelled by the government's capitulation to other sections of workers as a result of pressure. The public newspaper comments express a similar point of view, but express even more concern over the effect of the government's policy of giving way to strike threats. It seems inescapable that once a country commits itself to a no-strike, compulsory arbitration policy and passes the necessary enabling laws, the laws must be enforced to the letter as long as they are "on the books."

In considering the adoption of a system of compulsory arbitration, we must examine the effect such a system will have on the employer. Conceivably, some decisions will be contrary to the immediate interests of the employing group (especially if in the future pro-labor elements secure control of the government); and the employers should bear in mind that an arbitration board, in awarding increased wages, shorter hours, etc., is giving away *your* money. A governmental agency, with a power delegated by Congress, will determine what profit a concern will be permitted to keep and conceivably, who will be allowed to remain in business. Just as awards against labor must be enforced, so must awards against business be enforced—and in view of recent history, this will probably be by governmental seizure of plants.

Compulsory arbitration, even if only intended as a last resort, prevents collective bargaining. Rather than bargain, one party will attempt to force the dispute before the arbitration panel in the hope of securing a greater advantage than it could through its own independent efforts. The government will be placed in a position of necessarily determining nation-wide labor relations standards; administering the way it thinks best. This must inevitably lead to a comprehensive economic planning which could conceivably destroy free capitalism.

The political aspect of compulsory arbitration merits further discussion. If a government is going to engage in comprehensive economic planning, then it must be willing to accept the responsibility for economic breakdown (remember the recent O.P.A. experience). Governments will fall and politicians lose their popularity if disaster occurs during operation of their arbitration system. Compulsory arbitration could only last in New Zealand as long as it did because, up until the depression of 1932, their economy was expanding and the government had a scapegoat on which to blame economic ills when they occurred. The officials could convince the electorate that it was the "wicked Bank of England" which was the root cause of a wage decrease and not the arbitration board. In America, we have no external scapegoat to blame. The party in power administering the law is held responsible.

In summary, New Zealand's long standing arbitration law, even under the pressure of winning the war, did not eliminate industrial strikes. The law prevented genuine collective bargaining between employers and employees, and all strike threats became threats against the government—actual strikes bordered on revolution. Unless the violators of arbitration awards are rapidly and severely punished, disrespect for government is engendered. Although at the present time adoption of compulsory arbitration systems may be desirable from the employers' viewpoint, one must remember that such laws can—probably will—operate, at some time, to employers' disadvantage. And political consequences of compulsory arbitration may be so grave as to endanger the foundations of free enterprise.

A practical program of supervisory training is described which is designed to be carried out chiefly by "line" supervision.

Supervisory Training Methods

By P. B. Lewis, Supervisor of Training,
E. I. du Pont de Nemours

American industry is today in a highly competitive era where the emphasis is on high production of the best quality products at the lowest practical operating costs. American industry also is conscious, as is expressed by this conference, that this can be accomplished only in an atmosphere of good Industrial Relations where there is a fine spirit of cooperation or team play between management and labor.

Improved equipment, processes and materials will help accomplish these objectives but improved training and personnel practices will play an equally important part.

The training methods we use today are not so new—they are simply a better application of proven practices. Basically, we rely on the same fundamental teaching methods we have always used—

THE INFORMATIONAL PROCEDURE
THE INSTRUCTIONAL PROCEDURE
THE DISCUSSIONAL OR CONFERENCE PROCEDURE

These methods with their many variations are the tools of Industrial Training. We supplement them with various aids such as films, slides, charts, questionnaires, etc., to improve and strengthen them.

I could spend my remaining time discussing various approaches we are using in programs within our plants and offices. However, important as these may be, there are certain fundamentals which we have found essential if training is to accomplish its purpose, and it is of the latter that I shall speak.

Purpose of Training

Before discussing the steps we have found essential to practical Industrial Training, let's consider the purpose or objective of training. Primarily, training is a means of helping us solve our problems by supplying a systematic approach to

the imparting and exchanging of information, developing of skills and molding of attitudes so that we do our jobs

SAFELY
CORRECTLY
EFFICIENTLY, AND WITH
HIGH MORALE.

To accomplish this purpose, we need more than fancy programs with unusual techniques and approaches. We need to remember that training is good supervision and is, therefore, one of our everyday jobs. Because we believe training is part and parcel of good supervision, it must start with the individual supervisor—which brings us to our first fundamental.

Training Through Example

TRAINING THROUGH EXAMPLE

Example is a powerful force which affects all of us and we place it at the base of our training pyramid as we believe it affects all of our supervisory training efforts. Most of us try to do our jobs in a manner which will gain the approval of our supervisors. Consequently, there is a tendency for us to imitate or follow their examples. We may not imitate those actions which we believe to be wrong, nevertheless, we are reluctant to take opposite action if our supervisors are looking on, unless we are very strong willed and determined to do what we think right regardless of what others think.

What bearing does this point have on our total training efforts? We find that supervisors are likely to discard the "SKILLS" and "METHODS" taught in training sessions unless their supervisors apply these same skills and methods in their daily relationships with them. This is especially true where the supervisor puts forth much effort in order to master or put these skills and methods into effect and no recognition is given for this effort. We learn by applying and if we are not encouraged in our efforts or see that what we have been taught is not given much importance, we soon get discouraged and often give up our efforts with the result that we never really complete our learning cycle.

For example, in training supervisors we stress the importance of their "EXPLAINING THE REASON BACK OF THEIR INSTRUCTIONS." But how often do they get this type of instructions from their supervisors—

"Bill, I want such and such information—can you have it by 5:00 o'clock?" Bill drops everything and spends an hour or more of his busy day writing up an exact and complete report, to find at 5:00 o'clock that a rough estimate would have been satisfactory.

Most of us would probably agree that if this happened too frequently it might have an effect on the type of instructions Bill passes along to his employees. It

might be that the hour out of the busy day to prepare the report forced him to give some hasty instructions to his people.

There are many similar illustrations we all could give to show how examples affect training results and that is why we place it as number one on our list of fundamental methods. All the fancy training programs we can devise will not have complete and lasting results unless all levels of supervision are prepared to follow the principles taught in these training sessions. Closely allied to "*TRAINING THROUGH EXAMPLE*" is "*COACHING ON THE JOB.*"

Coaching on the Job

COACHING ON THE JOB

TRAINING THROUGH EXAMPLE

This is the day to day contact the Departmental Supervisor has with his supervisors or foremen, and their contacts with their people. It constitutes probably 80% or better of all the training that takes place in an organization, it is timely, as it meets specific needs of the individual. It presents a near perfect learning situation, inasmuch as the person who has a problem talks it over with his supervisor and can put what he has learned into practice on a live problem of the moment. This differs considerably from many of the strictly training sessions he may attend where he is asked to store away information to use when a particular problem arises. The trouble with the latter being that he has difficulty storing these things away, especially when he is bothered by unrelated actual problems in his department while attending such meetings. This individual or personalized training, or development of those reporting to him, is part of the supervisor's job—a major part of the job for which he is being paid.

However, to do an effective coaching job, the supervisor must be kept well informed on all phases of his job and have the skill to apply his knowledge. This brings us to the next block of our pyramid.

Departmental Training

DEPARTMENTAL
TRAINING

COACHING ON-THE-JOB

TRAINING THROUGH EXAMPLE

Departmental training refers to the departmental meeting which the Department Head holds with his supervisors or foremen for the purpose of discussing Departmental problems—problems dealing with safety, costs, production, personnel, etc. These meetings are held weekly in most cases. However, in some instances they are held monthly and take up the entire day—during which time the supervisors discuss all phases of the Department's Operation.

This is the first break from the direct individual contact approach and we find that most Departmental Supervisors favor such meetings as they:—

1—CONSERVE TIME.

2—ALL SUPERVISION IN THE DEPARTMENT GETS THE SAME STORY.

3—IT PROVIDES AN OPPORTUNITY TO DEVELOP UNIFORMITY OF THINKING AND FUNCTIONING WITHIN THE DEPARTMENTAL SUPERVISORY ORGANIZATION.

4—IT PROVIDES A MEANS OF BRINGING ALL SUPERVISION INTO THE ACTIVE MANAGEMENT OF THE DEPARTMENT.

Such meetings provide the supervisor with the information which enables him to do a better job of "COACHING," or ON-THE-JOB TRAINING, of his organization. However, to handle this type of training effectively, and it is training of the best kind, requires that the leader be trained in how to conduct successful meetings and principally the discussional type meeting which permits the leader to make use of the combined thinking of his supervision in solving Departmental problems. The manner in which this training is handled will be covered later.

Departmental meetings naturally are directed at solving Departmental problems and although they are a vital link in the over-all training job and assist the supervisor in his job of coaching and developing Departmental team play, they do not give the supervisor all the assistance he needs to handle his many responsibilities.

The Department Supervisor and his supervisors or foremen may do a very effective job of their in-line Departmental Training. However, regardless of how conscientious their efforts, they may at times find themselves at variance with other Departments in the way certain situations are handled. Such variances can lead to serious repercussions. For this reason, it is necessary to furnish all levels of supervision with some method whereby they can pool their thinking on problems common to all Departments. This brings us to block four of our pyramid.

PLANT-WIDE DISCUSSIONAL MEETINGS

PLANT-WIDE DISCUSSIONAL PROGRAM
DEPARTMENTAL TRAINING
COACHING ON-THE-JOB
TRAINING THROUGH EXAMPLE

This type of training promotes uniformity of thinking and functioning in the handling of situations common to all Departments of the plant or organization. This is done by setting up the training by levels of supervision on a cross-sectional or horizontal basis—in other words, bringing together in small groups foremen, supervisors, Department Heads from all Departments so that there is a cross-section of thinking.

Heretofore we have been concerned with strictly line organization training

but from this point on we will consider the training necessary to assist the line so that it may do the most effective job of training.

The purpose of the plant-wide discussional meetings is to provide a means of bringing all levels of management into the management of the organization by furnishing the opportunity for them to discuss plant problems and their solutions If this method of training is to be effective the leaders must be well trained in the skills of conference leading. This is usually done by a skilled conference leader working with the upper and intermediate levels of supervision for a period of 30-40 hours, spread over 10 to 20 weeks. During this training period for the leaders the various skills of conference leading are discussed and practiced. At the same time pertinent plant problems are used as the subjects for discussion. These may range from "HOW TO GET INFORMATION UP AND DOWN THE LINE" to "THE RESPONSIBILITY AND AUTHORITY OF FOREMEN." Emphasis is placed on the leader's ability to direct the group's thinking so that they in the end will develop constructive measures for solving the problem under discussion. This same training in turn aids the supervisor in conducting more effective Departmental meetings. Where plant-wide discussional meetings have been set up, following careful training of the leaders and attention given to keeping the subject material practical and timely, they have proven to be an effective management tool. However, where this type of program has not proven too successful the cause could be traced to one or more of the following reasons:

1—IMPROPER SELECTION OF LEADERS

2—IMPRACTICAL SUBJECT MATERIAL

3—FAILURE TO MAKE USE OF THE PROGRAM RESULTS

A well directed plant-wide discussional program will result in many suggestions for changes in policy and practice and it is essential that top management be open to these suggestions if the program is to prove successful.

Plant-Wide Informational Meetings

PLANT-WIDE INFORMATIONAL MEETINGS

PLANT-WIDE DISCUSSIONAL PROGRAM

DEPARTMENTAL TRAINING

COACHING ON-THE-JOB

TRAINING THROUGH EXAMPLE

In addition to the plant-wide discussional meeting which permits all supervisors an opportunity of discussing plant problems and their solutions, the supervisor needs general information which will help him do a more effective job of conducting Departmental meetings and coaching his people. Information such as the general business situation, the outlook for the plant during the next few

months or for the year, a review of the past month's or year's performance, the latest developments in research, etc. These and many similar subjects can be presented to all supervision by the plant manager, members of his staff or outside speakers at regularly scheduled meetings.

These meetings furnish an opportunity for all levels of supervision to get together and give all members of the management team a feeling of belonging to the organization.

Special Programs

SPECIAL PROGRAMS

PLANT-WIDE INFORMATIONAL MEETINGS

PLANT-WIDE DISCUSSIONAL PROGRAM

DEPARTMENT TRAINING

COACHING ON-THE-JOB

TRAINING THROUGH EXAMPLE

At the top of our training pyramid we have placed the block "SPECIAL PROGRAMS." Now and then top management will cite a problem that is not being met to their satisfaction through the regular line training channels. So, a "TRAINING" or "STAFF" specialist is asked to prepare a program that will supplement or bolster up line efforts. As a general rule, these programs are short term projects. In most plants, they are handled on a cross-sectional basis. Either the specialist conducts the program or trains other members of supervision to do it. The three excellent "J" programs are good examples, as are film discussions, safety meeting training, and many others prepared by various companies, schools, etc. Programs of this type are good and are generally used to plug holes in the "DIKE" until the line can make repairs.

These programs are the ones we too frequently think of when the term "TRAINING" is mentioned, yet they are a small part of the over-all training job. They are important and serve a useful purpose provided they

1—ANSWER THE REAL PROBLEM

2—DO NOT INTERFERE WITH THE REGULAR LINE TRAINING JOB, BUT

3—PUT THE LINE IN A POSITION TO STRENGTHEN ITS WEAK SPOT AND DO ITS OWN TRAINING IN THE FUTURE.

Conclusion

In the few minutes at my disposal, I have attempted to show you the training methods we have found most effective. We believe that "TRAINING THROUGH EXAMPLE" forms the foundation for all training efforts and that we decrease

effectiveness of these efforts when we leave out the intermediate levels of supervision or ignore their attitude toward things being taught.

We feel that individual "COACHING ON-THE-JOB" by the immediate supervision should represent the major share of the over-all training effort, inasmuch as the supervisor is being paid to train those reporting to him and this contact is considered a near perfect learning situation.

We believe there should be regularly scheduled Departmental meetings devoted to a "FREE DISCUSSION" of Departmental problems.

A well-planned plant-wide discussional program should help if there is concern about uniformity of thinking and functioning on matters pertaining to all Departments.

Informational meetings on a plant-wide scale also should contribute to this management team work goal. Finally "PACKAGES" that are considered supplements to, and not substitutes for, line training should help on troublesome or unusual training problems.

These methods have proven effective for us. They are not particularly new and modern but are the result of years of effort to try and find a sound basis for training.

The presentation of an annual report on personnel operations and plans constitutes an opportunity for the personnel or industrial relations executive to call the attention of top management to the accomplishments of the department. A suggestive article.

The Personnel Department—An Annual Report

By Donald E. Dickason, Director, Office of Nonacademic Personnel, University of Illinois.

One of the toughest problems facing the personnel man is that of making a report to those to whom he is responsible. He knows he is getting something accomplished. He is in a position to check the little indications which add up to the measurement of a successful program. Those little things do add up for him, the man who is closest to them and who is in the best position to appreciate their significance. But it is a different story when he tries to set them down in a positive statement of departmental achievement and accomplishment. Human response is hard to weigh.

Attitude can be measured up to a point, but how can he identify changes for which his work is responsible? What evidence can he bring that anything has happened because he wanted it to happen; because of the things he did to make it happen?

In too many managerial minds the personnel department is still considered primarily as simply an employment mechanism and not much more. How is the personnel director to call attention to his other functions and how is he to receive the credit for accomplishment which he has often richly earned?

The best opportunity comes with the filing of a periodical report to top management. Does that report consist only of employment statistics, salary records, turnover reports and absentee rates? If it does, it falls far short of its real opportunity. Or does it set up the goals and objectives of the personnel program and present a factual statement of how well the objectives are being met?

No personnel administrator can write a report for any other. Each must build his own to fit his situation. The following outline would probably fit exactly only the organization for which it was used, but it should offer suggestions for adaptations in many others. It should at least serve as the basis for a further dis-

cussion of the highly important but sorely neglected subject of personnel department reports, and such a report is a very useful form of self-appraisal even though it is never turned in.

The outline which follows has been compiled on the following pattern, the parenthesized items being those needing to be done; those without parenthesis being those in active operation:

1. *THE PROBLEM.*
   A. ***The objective.***
      1. Means now in use for attaining the objective.
         a. Supporting details, statistics, and other data.
      2. Further steps which should be taken and concerning which study and planning are now in progress.

I. How best to provide and maintain a force of employees with qualities and abilities which meet the company's standards:
   A. Improvement in selection of new employees; reduction in rate of turnover of present employees:
      1. Betterment of interviewing procedure:
         a. Employment of more highly qualified individuals for this position.
         b. Providing them with more accurate knowledge of requirements of positions to be filled.
         c. Developing more orderly interviewing techniques.
         d. Providing more suitable physical surroundings which are now very inadequate.
      2. Use of greater opportunity for choice as number of applicants increases in relation to job openings:
         a. Statistics as to employee totals by group or classification.
         b. Ratio of current applications to hires, now, as compared to a year ago.
         c. Statistical analysis of recent new employees:
            — age
            — marital status
            — sex
            — veteran status
            — parental status
            — geographical source
            — education, etc.
      3. Implementation of veterans position guarantee policy:
         a. Number of veterans returned to service.
      4. More effective introduction of new employee to his job:
         a. Induction training.
         b. Publication of a handbook for new employees.
      5. Keeping rate of employee turnover at lowest possible figure in order to preserve continuity and quality of service by means of maintaining high employee morale and attractive working conditions.
         a. Comparison of general average with company experience, calling attention to improvement of favorable ratio.
         b. Analysis of turnover by causes and by departments or divisions.
      6. More emphasis on promotion and upgrading from ranks of present employees:
         a. Too little emphasis in the past because of usual reluctance of presently employing departments to agree to transfer of trained employee who must be replaced by a new untrained one.
            — Filling of one new position by promotion sometimes requires a chain of changes, each

upsetting to departmental routine to a total degree far greater than outside employment of one new person to fill position originally vacant.
— Supporting statistics.
b. In spite of obstacles, need for better promotional program—to be obtained by means to be listed below.
7. More use of pre-employment aptitude testing; revision of present materials and procedures:
a. More use of testing facilities.
b. Rewrite and revise present tests, most of which have been used with little change ever since inception of testing program.
B. Improvement of the personal abilities of the company's employees, both workers and supervisors, and increase in quality of service they are able to render.
1. Installation of new record system providing prompt access to adequate information files.
2. Development of "In service" training program as detailed in supplement attached.
a. Statistical report on pre-employment induction training.
b. Supervisory course in Job Instruction and Human Relations.
— Instructors in above.
c. One session "On the Job" demonstration courses.
d. Evening courses given by State University Extension Division.
e. Veterans training.
f. Safety training.
g. Office practice training:
— Formal program
— Work training
II. How best to keep the employee staff loyal, contented, and at its highest level of efficiency:
A. Development of full knowledge and understanding of the company's personnel policy on the part of entire staff together with a sense of participation in the overall company program.
1. Election by employees of group committees on the employee-management pattern, and by the respective group committees election of representative companywide Central Committee or Employees Council and sub-committees for special projects.
a. Central Committee or Council activities:
— Discussion of new projects, programs, general policies, and relationships.
— Promotion of social and recreational programs financed by income from vending machines installed under Committee sponsorship.
— Sponsorship jointly with Personnel Office of employeewide attitude survey.
b. Sub-Committees:
— Safety.
— Monthly Publication.
— Retirement.
— Position Classification and Evaluation.
2. Publication of the employee news publication: Complete file attached as Supplement No. 2.
a. Cost statistics.
3. Meetings and conferences with employee and supervisory groups for discussion and interpretation of policy and practice, and of changes in procedure.
4. Sponsorship jointly with Employees Council of opinion poll of which copy is attached as Supplement No. 3.
a. Results now being tabulated and studied.
— Many constructive suggestions worthy of serious consideration.
— Weak spots emphasized and needs for special attention made evident.
5. More attention to and education of middle and lower supervisory staff, who all too often are expected to assume the responsibility of carrying on management functions without being given sufficient knowledge and authority to go with the responsibility.
B. Strengthening of confidence of employees in the good faith and fairness of this company as their employer.

1. Compilation of correct seniority lists insuring proper protection of those important rights.
2. Meticulous observation of policy provisions for handling employee grievances.
    a. Statistics calling attention to any improvement in grievance matters.
3. "Open door policy" in the Office of Personnel for frank discussion of problems of any sort with any and all employees and staff members.
4. Similar interpretations and applications of terms of company policy on a companywide basis.

C. Revision of the compensation plan to establish more consistent salary relationships between positions and classifications as they compare with each other, and with positions in our area.
1. Review of classifications, correcting and rewriting specifications when needed; dropping classifications not now used; and adding new ones where such additions make for greater accuracy.
    a. Being accomplished with aid and review of both supervisory and administrative staff, and with representatives of employee committees.
2. Evaluation of each classification on a point-factor basis.
    a. Also with advice and assistance of supervisors and workers most closely acquainted with each classification.
3. Comparison of present salary curve with curve of values thus determined, and either justification for or correction of evident discrepancies.
4. Development of new wage and salary schedules, taking into consideration results of the evaluation, comparison with general practice elsewhere, and law of supply and demand.
    a. Expected to be completed and approved in time for use in compiling next annual budget.

D. Implementation of compensation plan with sufficient funds to make it effective; meeting the general trend towards shorter work week schedules in accordance with the declared policy of the company of keeping in line with prevailing practice.
1. Statistics and other facts supporting need for more funds for salary and wage payment.

E. Provision of better means of appraising effectiveness of and proper salary levels for the individual employee.
1. Merit rating required by company policy and by general acceptance as good practice.
    a. Policy requires in addition that result of his rating shall be available to each employee.
2. Plan for rating developed and transmitted to departmental administration and supervision.
    a. Summary of results of rating program.
3. Constant review to insure proper salary relationships within individual classifications.
    a. By budget review and approval or disapproval of changes requested by departments, taking into account the necessity of preserving generally equal levels for like classifications in different departments.

F. Improvement in the record of costs and loss of services on account of disability, both occupational and non-occupational, and reduction of absenteeism from other causes.
1. Figures to indicate comparison with other years as to direct costs for disability compensation.
2. Better pre-employment screening and adequate evidence supporting claims for disability leave with pay.
    a. Figures showing activities of employee health services.
3. Report of any participation in retirement or pension plan.
4. Keeping of absenteeism from all causes to a minimum.
    a. Compensation statistics.

III. How best to integrate the activities and policies of this department with those of the rest of the company in order to provide for the overall improvement of the company service with a minimum of red tape and conflict with departmental procedures:

A. Promotion of better knowledge and understanding of personnel program and policy on the part of administration and supervisory staff (admittedly a weak spot in past year's program).
1. Employee publication being distributed to all department heads.
2. Efforts being made to take advantage of all normal contacts to foster these objectives.

3. Discussion and deliberations of Advisory Committees made up by representatives of all staff and line departments appointed by the President.
   a. Numerous meetings considering in addition to general problems all specific revisions recommended for the employee policy.
4. Participation in departmental staff meetings.
5. More time spent by personnel staff in informal visits and discussions with other departments heads.
6. More care in providing explanations and understandings of new projects before they are released for general use and information.

B. Improvement in the knowledge, ability, and judgment of the Personnel Office Staff, and in the overall efficiency of the functioning of this office.
1. Complete revision and modernization of files and records.
2. Working out of effective procedures for carrying on routine relationships with other departments.
3. Participation by personnel staff members in conventions and conferences dealing with personnel and industrial relations problems.
4. Reading of current periodicals and other literature.
   a. Regular use of publications setting forth both labor and management points of view.
5. Exchange of ideas with others in personnel work.
6. Advice and counsel of Advisory Committee (See III-A-3).

C. Improving and developing other services to the company as a whole.
1. Services of the Stenographic Bureau—for detailed report see Supplement No. 5 attached.
   a. Consultation in office organization and procedure provided for various offices.
   b. Production work, mimeograph, typing, etc.
      — Statistics.

IV. How best to promote a program of research and development in the still considerably unexplored field of personnel relations.

A. Maintenance of contacts with other institutions and with professional organizations engaged in the study of personnel problems.

B. Adaptation of techniques developed for other business and industry to the special conditions and needs of the company.

C. Research and development in special areas of incomplete knowledge, such as:
1. Determination of adequate performance forms for company employees.
2. Feasibility of the Suggestion System for our plant.
3. Development of a practical and workable safety program.
4. Better use of statistics.

D. Maintaining and adding to the prestige of this department and of the company in outside relationships.
1. Notes on relationships with other firms and consultation or advice provided or given; articles published; participation in work of professional organizations, addresses made, etc.

V. How best to develop and maintain good relationships between the company and organized labor in general (the necessity of which is recognized through realistic appraisal of the facts of life).

A. Maintaining good relations with representatives of organized labor—both employee and non-employee.
1. Have widened personal acquaintanceship with national and state leaders, with local and area business agents, and with our own shop stewards.
2. Have faced issues squarely and discussed them frankly and have, in general, done so in an atmosphere of mutual confidence and good faith.
3. Impartial administration of company policy has increased labor confidence in its fairness.
   a. Fewer complaints against supervisors and more general acceptance of policy as established in the platform.
4. Prompt attention to all matters of controversy, with a minimum of delay in settlements.

B. Meeting intensified drive for unionization of present unorganized employees.

1. Details as to current situation.
2. Our policy clearly states:
   a. Fair and equal treatment of union and non-union employees alike.
   b. Abiding by will of majority as to union representation.
   c. Agreement to bargain collectively if union is chosen.
3. If we uphold and apply that policy we should have no serious trouble.
4. Several difficulties however:
   a. Lag in salary increases for unorganized employee.
   b. Irresponsible anti-labor talk by some company officials, which complicates problems of personnel department.

Summary

The Evaluation of Results Thus Far Obtained:

A. Good.
   1. (List for your company projects and activities which you consider creditable and satisfactory).

B. Fair.
   1. (List for your company those projects and activities which have shown some good results, but which have not attained complete success).

C. Poor.
   1. (List—and be honest on this one!—the places where you have not done so well, and where you know you need to place more future emphasis).

And wind up with some such final statement as the following:

"Tieing together in a brief closing statement the general overall synopsis of the report as a whole, I believe that we may generalize by saying that with the exception of a few minor "hot spots" the administration of this department has the confidence and cooperation of the employee groups. Again, generalizing, a fair self-appraisal must admit that we have not been one hundred per cent effective in selling all levels of supervision on the policy in general, and its administration by this office in particular. "If the student hasn't learned, the teacher hasn't taught" would seem to be a reasonable statement of the situation. Most "students" have been bright and willing, and many have been active in their approval and support. Others have been more reluctant, and for their present "unlearned" state, the "teacher" must accept his full responsibility.

"With the realization of that fact before us, we are intending to give a more active attention to the problem indicated and to devote more energy to our teaching.

"Our first task was to place in effect the provisions of the policy adopted July 1, 1945. To do that and be fair to all employers in the doing, we have had to ask for changes in some long cherished departmental practices. Until and unless the reasons for those changes are understood and agreed to, we are bound to have problems of readjustment to work out with department heads and administrators.

"This first year has accomplished much if we go back and compare our position before its start. With the sort of cooperation and understanding from all which we have had from a large majority, future years can show further progress far beyond anything as yet attained."

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

(President and Treasurer, CHARLES S. SLOCOMBE. Secretary, J. SLOCOMBE)

Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 25 *Number 10*

Contents for April 1947

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There are too many "secrets" about salaries. An example of a company which believes in telling employees "where they stand" on salaries.

The Story *of* Your Salary

By Harvey T. Stephens, International Resistance Co. Phila.

Employers are a curious group of people. They are surprisingly well informed on the specifications, limitations and performances of the materials that go into their manufactured products. They conduct "pilot-runs" on new product developments and make market surveys to determine the performance and public acceptance of these new products. Yet, these curious individuals expect their employees, through some Divine Power, or sixth sense, to comprehend without explanation, Personnel Management techniques designed for the employee's benefit. This blind faith in the employee's ability to understand the employer's well-intended thinking (without an explanation) is responsible for many well-purposed programs foundering on the shoals of misunderstanding and complacency.

This is especially true in the field of Wage and Salary Administration. The techniques of Job Evaluation and Performance Review should not be so mysterious or complex that they cannot be explained to employees. Certainly a program of Salary Administration cannot be effective, and will not justify its existence, until the employees affected by the program are familiar with the basic principles on which it is constructed and the mechanics by which it operates.

The purpose of this article is to explain the first steps which have been taken by one company to improve the effectiveness of its Salary Administration program by increasing employee understanding. The policy statement of the International Resistance Company which says, "It is the policy of the International Resistance Company to pay an equitable wage to all its employees" was meaningless for all practical purposes, until the International Resistance Company took definite steps to develop and operate a program that would actually provide this equitable distribution. Of equal importance was a planned effort to give employees information concerning the HOW and WHY of this Salary Administration program.

This program of employee information was planned in three steps. Space does not permit an explanation of these three steps in detail. However, they are outlined briefly below:

Step (1) After the decision by the Company to install a program of Salary Administration, the President of the Company sent a letter to each employee explaining the purposes of the program and asked for each employee's cooperation. Employees were asked to cooperate with the Job Analyst who would interview them shortly regarding their job duties and responsibilities. Job Analysts next interviewed employees and wrote Job Descriptions. Job Analysts were required as a part of the interview with the employee and supervisor to explain the operation of the Salary Administration program as it would operate when completed. This portion of the interview was a more detailed explanation of the objectives as outlined in the President's letter to the employees.

Step (2) Upon the completion of the Job Evaluation plan, a Salary Administration Handbook was written and issued to all supervisors of salaried employees. This handbook set forth in detail the operation of the Job Evaluation plan and the system of Performance Reviews. Rough drafts of this handbook were submitted to a cross section of the supervisory staff and, based on their comments and criticisms, the finished draft was completed and issued to all supervisors. Within two weeks of the issue date the Industrial Relations Department conducted for supervisors a two-session training course in the principles and operations of the Company's Salary Administration program. This course was designed to cover the general principles and methods to be used by the supervisor as well as to explain the methods used by the Salary Administration Section of the Industrial Relations Department. When this training course was completed, the program was placed in motion. During the first year of operation a continual follow-up was maintained to inform the supervisory staff of the detailed changes made in the original plan.

Step (3) The third and final step in this program of employee information was a simple explanation to all employees of the Company's Salary Administration program, as it was now operating. This statement was planned at the inception of the program, but was withheld from employees, until the plan was in operation and the "new system bugs" had been removed. Now the supervisory staff were thoroughly indoctrinated in the principles and operations of the program and were in a position to answer questions which might be asked by employees when they read the detailed statement prepared for them. This statement "The Story of Your Salary" was prepared by members of the Industrial Relations staff. It was first circulated to a cross-section group of salaried employees and after their comments and criticisms had been considered, the final draft was printed and distributed to our entire salaried force.

Many questions were raised by employees after they had read "The Story of Your Salary" and, in most cases supervisors, after a year's experience with the plan, were in a position to give satisfactory answers. One of the advantages obtained from placing such information in the employees' hands was compulsion on the super-

visors' part to be well informed on Company policy in order to answer employees' questions.

A copy of "The Story of Your Salary" as issued to the salaried employees of the International Resistance Company follows:

The Story of Your Salary

Many IRC employees have expressed an interest in the Company's Salary Administration Plan. This booklet has been prepared to explain this program and to answer any questions which may be related to it.

It is the Company's earnest intention that all employees be paid a fair salary, and that salaries in general be as high as possible, consistent with reasonable profits. In order to carry out this intention, there must be a system to determine pay rates and to provide for salary increases. This is "Salary Administration."

Salary Administration determines how much you may earn by a study of YOUR JOB and YOU. These two factors—your job and you—are taken into consideration in the following way:

1. YOUR JOB—What is it worth to IRC, compared to all other jobs in the Company?

2. YOU—How well do you do your job? Is your performance poor, average or superior?

Since these two problems must be studied separately, Salary Administration has two sections: (1) JOB EVALUATION; (2) THE PERFORMANCE REVIEW.

JOB EVALUATION AND YOUR JOB

Job Evaluation is a system using the pooled judgment of men who know IRC jobs. It places your job in a salary grade, based on its relationship to all other jobs in the Company. In other words, Job Evaluation is a method of comparing your job with everyone elses' job in order to determine the minimum and maximum salary it will pay.

Frequently employees say, "But my job is not like any other job, so how can it be compared?" The answer is simply this: All jobs require the use of the mind, although mental effort in some must be greater than in others; all jobs require skill, even though this skill varies from the simplest use of the hands to an intricate and complex technical background; and all jobs carry responsibility. Physical effort is expended, and work is done under different working conditions. These factors in your job—mental effort, skill, responsibility, physical effort and working conditions—are compared with similar factors in other jobs to decide which job deserves the higher salary—and why. Assume that a yardstick, marked off with these five factors, is used to measure all jobs; then by this yardstick some jobs will measure "longer" than others, and some "shorter." The "longer" job is placed in a higher salary bracket than the "shorter" job.

Job Evaluation, then, has determined what your specific job is worth to the Company. It has decided the least your job will pay to the inexperienced or new man on the job, and the most it can pay to the good, experienced worker. However, what your exact salary will be, within that salary range, does not depend upon Job Evaluation, *but upon you.* This brings us to Performance Review, the second phase of Salary Administration, in which you, as an individual, play a part in determining what your salary shall be.

PERFORMANCE REVIEW AND YOU

In a sense, your salary is what you make it. How well you do your job, how satisfactorily you meet its requirements, determines your exact salary within your salary grade. A superior worker should be paid more than a slow worker on the same job; an experienced employee should be paid more than a beginner. What YOU are paid depends upon YOU, as shown by your Performance Review.

Your Performance Review is a "picture" of you as an employee. It is a six-month report on your individual job performance—a six-month guarantee that your work will be appraised regularly and justly, so that increases may be given when and where increases are due.

Twice a year your supervisor is given a printed form which asks questions about the quality and quantity of your work, your cooperation, knowledge of your job and your attendance and lateness record. When your supervisor has filled out your Performance Review form, he will discuss it with you so that you may know how you are progressing, what you can do to improve your work, and, in short, exactly "where you stand."

As your work improves, your salary should increase, although it may never exceed the maximum salary established for your job. You may earn only one increase at a time, and the amount of that increase is determined by your salary grade. Generally speaking, if your Performance Reviews indicate that you are an average worker, your increases should take you to the mid-point of your salary grade. If your Performance Reviews rate you an excellent worker, you may be increased, by stages, until you are above the mid-point, or within the upper half of your salary grade.

During your first year at IRC, you will have three Performance Reviews. If you started at the minimum of your salary grade, and, if your work warrants, you may receive an increase with each Performance Review. The Performance Reviews will come at the end of your first three, six and twelve months of service with the Company. From the beginning of your second year, your performance will be reviewed semi-annually. You will be considered for a salary increase once a year, on the anniversary of your employment date with the Company, when you will receive your annual Performance Review. Your semi-annual Performance Review, which comes six months later, is intended to keep you informed of your progress.

YOU CAN BE PROMOTED

If you have reached the top of your salary grade, it is not necessarily true that you can "go no further." YOU CAN BE PROMOTED. It is IRC's policy, wherever possible, to promote employees when vacancies occur or new positions are created rather than to hire "outside people" to fill these jobs. If you are capable of assuming new duties, if you have the necessary requirements for a new position, you will be considered, along with other employees, for promotion. The most eligible employee will be chosen. IT CAN BE YOU.

At the time of your promotion, you may receive an increase immediately, or it may be withheld for consideration at the end of a month, after you have had an opportunity to demonstrate your ability in your new position.

"SPEAK YOUR PIECE"

This, then, is the story of Salary Administration. It is the story behind your salary. Since it so vitally concerns you, your questions, comments and criticisms are invited and welcome.

Salary Administration was planned for you, and without your cooperation and support it cannot function with fairness to all and recognition for those who do their best. So feel free to "speak your piece" to the proper person. Your supervisor, division head or the Industrial Relations Manager will gladly explain details which are not clear, and will consider and appreciate your helpful recommendations.

January, 1947 Industrial Relations Department

There is still time for management to plan its course against possible "portal-to-portal" penalty payments. Here are some practical suggestions.

Portal-Pay Formulae

By Frank A. Baird, Chief Engineer, Associated Business Consultants

On June 10, 1946, a Senate committee in Washington in solemn conclave was told that women were hijacking bakery trucks as a measure to relieve shortages in baked goods. Not far away, behind its marble facade stating "Equal Justice under Law," the Supreme Court was handing down its decision in the case of the United Pottery Workers (C.I.O.) versus the Mt. Clemens Pottery Company. The decision overruled Judge Frank A. Picard, the trial judge of the Eastern District of Michigan, in his award of $1,200 overtime pay to the workers and further stated that the workers might well deserve portal-to-portal pay and ordered the Judge to determine how much time it takes walking from time clock to work bench, changing clothes, putting on aprons or overalls, taping or greasing arms, putting on finger cots, preparing equipment for productive work, turning on switches, assembling or sharpening tools and time spent in preparation for work.

These activities, the Court held, are compensable provided they were performed outside the regular eight-hour day and should be paid for at overtime rates. This attitude was consistent with the Jewell Ridge Decision that "underground travel time in mines must be counted as hours worked."

The Supreme Court further directed Judge Picard to apply the "DeMinimus" theory to his findings. This is the nub of the present contention. "DeMinimus non curat lex" or "the law does not concern itself with trifles" may be interpreted in effect that there would be no payment for "split-second absurdities" or for times that were "negligible." This aspect has sent the Judge trudging thru the snow at the Pottery with stopwatch in hand. How long is a trifle? It has been stated by Unions that these "trifles" represent, together with liquidated damages, a sum of six billion dollars, six followed by nine ciphers!

Management need not sit idly by awaiting the final adjudication of this matter or hoping for relief by Congressional action. This is not entirely a legal matter that can only be solved by briefs. Modern management has the tools now to (1) settle claims if liability is established; (2) compensate for non-productive work; or (3) avoid liability in the future.

The Wages and Hours Division of the Department of Labor has stated that non-productive time may be paid for at a rate lower than that for productive time ***but*** this non-productive rate must be set by agreement between the company and the workers and must not be lower than the prevailing minimum wage. Management recently learned with considerable interest of a portal-pay settlement between Dow Chemical Co. and District 50 of the United Mine Workers Union (A.F.L.). Details of the agreement on $4,665,000 in lump sum payments—reached by collective bargaining, provide a tipoff on how other negotiators might go about portal-pay computation.

District 50 informed its members in Dow's Midland (Mich.) plant that it had agreed with management on the basis for computing, in minutes, retroactive portal-pay for shift workers The union also announced the basis for future portal-pay (at over-time rates). Significantly, it differed from that allowed for past years. Approximately six additional minutes daily are allowed by management. The union, which withdrew a demand for a flat 20¢ hourly wage increase, told members they would receive the equivalent of an 11¢ raise through portal-pay.

Here is a comparison of Dow's formulas for figuring retroactive and future portal pay:

	Retroactive (minutes)	Future (minutes)
Travel (clock to locker)	6.195	6.195
Changing clothes	1.50	3.50
Travel (locker to job)	1.00	1.00
Shift change	2.61	2.60
Travel (job to locker)	1.00	1.00
Changing clothes	1.50	3.50
Wash up	1.59	3.55
Travel (locker to clock)	6.195	6.195
Total minutes per shift	21.59*	27.54

*Subject to payment at the rate of time and one-half as overtime pay.

There are also other solutions available to Management. The pertinent elapsed times of non-productive work can be ascertained scientifically by time studies. This necessary time data already exists in the personnel files of some companies. A properly drawn job description should have recorded all the activities of a job and reference to these job descriptions may reveal the supplementary duties of the worker in addition to the major duties. Thus if a machinist sharpens his own tools, it should have been recorded in the job description of his grade of machinist, i.e. that he must know how to and does sharpen his own tools or that he is *not* required to do so. Thus, if this activity was performed on the worker's own time in excess of eight hours of work in a day and the company is adjudged liable, one of the bases for the settlement of the claim is in the job description.

Another tool of modern personnel relations—Job Evaluation—can assist in es-

tablishing or avoiding compensation. Following a properly drawn job description setting forth each element of the job, a job evaluation is prepared assigning a value in dollars and cents, points or factors, for each element. It is entirely possible that activities considered compensable by the Supreme Court and performed outside the eight-hour work day were compensated for when the job evaluation was made based on the job descriptions and wage analyst's studies. Although the time may not have been considered as overtime, the evaluator may have taken this additional work into consideration when setting the hourly wage rate for that particular job.

Managements who use scientific Job Evaluation should scrutinize their existing evaluations to determine whether or not consideration for pay purposes has been given to such factors as sharpening tools, putting on work clothing, taking a necessary shower, etcetera. Carefully prepared data, according to the best personnel practices, can materially assist in determining extra pay due or in avoiding violations in the future. The wage analyst may have taken such factors into account and they are now reflected in the overall job rate. Therefore, reanalysis and lower evaluation now must be made if such elements are to be paid for separately in terms of overtime pay rather than as an overall additional amount which was part of the regular hourly rate of pay.

Depending on the actual facts, this line of reasoning can be a potent factor in settling portal-pay claims for those companies whose job descriptions and job evaluations actually compensated workers for this "extra work." It might be shown that compensation already was paid by the increased regular hourly rate of pay which was higher due to such elements for which credit—and cents per hour—became a part of the regular rate of pay. Such is one possible answer on those "portal" job elements which are now claimed as extra and for which additional compensation is now demanded.

Similarly this same technique will prove of great value to managements who now adopt job evaluation and will hereafter have facts to use in dealing with such basic problems.

Precautionary measures should be taken against incurring liability while portal-to-portal pay for manufacturing drags thru the courts. Management should consider the advisability of defining, thru careful written descriptions, all required time to be spent in preparation for work as part of the eight-hour day. Thus, no overtime claim could arise for double damages.

Despite the confused aspect of the situation management can solve the problem. While one branch of government—the Wage and Hours Division of the Labor Department—advises industry of its liability; other branches—the War and Navy Departments—absorb the cost of the liability because of clauses in national defense and war contracts. By using the scientific tools at its command and maintaining a constructive and optimistic approach, a balanced and reasonable solution is available.

Setting wage rates or adopting incentive plans is no longer merely an engineering problem. Human values must be considered.

Wage Incentives

By J. K. Louden, Armstrong Cork Company

Wage incentives, as they have been since their introduction to industry on a large scale around the turn of the century, are perhaps the most controversial tool of management we have today.

You would assume that since we have had so much experience with incentives that by now we would have learned how to use them properly and to eliminate the majority of their controversial features. Yet I am afraid that we are failing to grasp the true fundamental natures of our difficulties.

To better understand our problem let us discuss why we have incentives. Does it not stem from our desire to recognize differences in ability and desire of workers to produce, and does it not stem from our desire to reward workers who are willing to increase their productivity? It has been proven many times that when a large group of men are brought together on the same work, at a uniform rate of pay by the day, the poorest worker tends to establish the level of output. This is natural, as there is no incentive for one worker to produce more than another even though he be capable of doing so.

If that be true we can state that the fundamental purpose of an incentive system is to offer a financial incentive to a worker, or group of workers, to produce work of an acceptable quality over and above a specified quantity. That sounds sensible and fair, and our first conclusion might be that the success of an incentive system would depend on the fairness and accuracy with which the specified quantities or standards are established, the nature of their guarantee, and the fairness and accuracy upon which the quality standards are set. If we can successfully meet these points, then we would assume that work requirements between various jobs in a plant are relatively equal and there should be little opposition to an incentive plan.

Yet we know that is not the case. Those factors are vital but they fall short because man does not work for wages alone.

What then are the reasons why so many workers object to the use of incentives? There are two basic objections: The first springs from the organized group, who believe that a union can only be strong when competition among workers is eliminated. Obviously an incentive system stimulates competition to a degree among workers

and opens up possibilities for a second enemy of the union, and that is, individual bargaining. This objection springs from the fundamental fact that social recognition and group security are, and I believe always have been, stronger than an economic incentive alone.

The second basic objection comes from those individuals who have had experience with incentives in the past and found them to have been developed and administered in an unfair and unsound manner. Thus they have experienced situations that have threatened their security, and many times their dignity and personal pride.

In the brief time allotted, I would like to explore these human relations angles rather than to delve deeply into the ramifications of different types of incentive plans.

First of all, let us examine the true place of an incentive system in the wage administration program of a company. It is vital that we remember that incentives are a sustaining mechanism and not an attaining mechanism. By that I mean, incentives are the device that is used to consolidate gains made through cost reduction by such means as motion study, improved tool design, the development of the simplest method possible of performing work at that time, and properly training the individual in the performance of the job. Then, in order to maintain these gains, paying him a financial reward to meet and beat the standards of output established.

What are some of the practices that have laid the groundwork for most of the opposition to incentives and the technological changes that often accompanies them? They would fall under three general headings—the first being a lack of knowledge as to what constitutes sound human relations, the second, a lack of technical know-how, and the third, unenlightened policies governing the plan in question.

It is difficult to separate errors in human relations and errors in policy, because if policies were sound and comprehensive there would be few errors in human relations providing they were properly interpreted and lived up to.

Nevertheless in this area falls the failure to have the supervision play a major part in the development of the plan for a department and the corresponding failure to enlist the cooperation of the employees and to gain their full understanding and confidence. This meant that neither the department head nor the employees knew exactly what was going on and something was just being handed them. Management in the upper levels expected blind faith on the part of management at the lower levels and the hourly workers. Management too often handled such matters on their own terms and conditions because they had the power, failing completely to recognize and understand the human relations involved.

This, plus the lack of sound policy caused many fears to arise in the workers' mind, which in many cases were justified. These fears usually took the following pattern:

1. That the job will be deemphasized to the degree that their skill and knowledge are no longer economic assets to them.
2. That they will be required to work at a pace they cannot maintain without injury to their health, causing them to age prematurely.

3. There will be a reduction in the force, which will throw them out of work.
4. If they do not meet the standards every day they will either lose their jobs or be demoted.
5. The rate will be cut as production increases, so that they will have to turn out more and more work for the same money.

These fears accompany such specific policy failures as not to guarantee standards, once established, against change, unless there be a change of method, equipment, and specification; to fail to continuously maintain measured standards in particular and the incentive installation in general once it is established. These, plus the major failure to comprehend the psychological effect of change on an individual and group.

The technological mistakes centered around the lack of know-how and understanding on the part of management. These included failing to recognize the caliber of man and the competency required to properly perform industrial engineering functions; failure to establish standard procedure and policies governing that work; and perhaps the greatest one, the failure to realize that incentives are a sustaining mechanism and not an attaining one. This led to such charges as speed up, and in many cases rightly so.* Not recognizing that material standards and quality had to be definitely tied in to the plan was another failure.

We have learned that beyond the basic fundamentals each plan must be tailored to fit the given situation; yet there are features and requirements that can be used as measuring sticks to determine the desirability and completeness of any plan that may be developed. These include the fact that the plan should reward the employee in direct proportion to increased output. By that I mean the so-called "split plans" or "sharing plans" are obsolete in the large majority of cases, particularly those where the operation can be reasonably standardized.

The plan must be kept simple and easily understood. Standards must be guaranteed within reason and only changed to the degree actually called for. The details of the plan must be clearly covered by instructions and methods of calculating bonus performance must be set forth in a simple and straightforward manner. Shop procedures and practices must be standardized and definite quality requirements built into the plan.

Equitable adjustments for failure to meet the task, when cause of failure is beyond the employee's control, must be provided— and, above all, the plan must be rigidly maintained.

Not only in the case of wage incentives, but for any form of technological change or cost reduction, management must have its policies and thinking concerning the program and its results well in hand before the plan is started. It must be prepared to express and discuss its policies with the employees in a clear, concise manner before

* This failure centered around the concept that time study was the beginning and the end of such a program. Thus standards were set based on the concept someone had of what the output would be if the job were done another way and largely leaving it up to the worker to solve his own problem.

any actual work is done. This is true not only from an over-all standpoint but also in the details of the work that is going to be carried forward: for example, the details required to properly develop a wage incentive plan and the details of its calculations.

From an over-all standpoint, management must be ready to define the general objective of the study, its policy on job security, its attitude towards the de-emphasis and dislocation of skills. Sound work standards shall be established but what will be management's attitude toward the performance requirements against these standards? What will be its attitude on rate cutting?

By policy I mean clear concise definitions. For example, one on job security might read as follows:

> "No one will be laid off as a direct or indirect result of this study. Should anyone be released from his duties by this study, he will be given plant-wide seniority, (union contract permitting) and every effort made to reestablish him at his highest skill. Any excess labor remaining will be placed in a pool until such time as normal labor turnover re-absorbs him into a regular job."

The problem of union participation in the development and institution of such projects as a wage incentive system weighs heavily in many instances. Yet again, union or no union, we must remember that every man wants to be in the know, to be a member of the team and play a part in working out his own destiny. He wants to have matters that affect him—the plans, hopes, and problems—discussed with him as an intelligent human being. That is the key.

No matter how technically sound your work has been and even if your policies are of a high order, the worker at all levels wants to have his say—his opinion sought. Many times it does not take much but whatever the amount—give it.

In so doing, you need not surrender your position as the responsible head of the business.

There are certain fundamental concepts of responsibility and authority that must underlie this relationship and must be fully considered by management.

Union or worker participation may and will vary in degree but these concepts are not affected by the degree of participation decided upon but are fundamental. Some of these are:

1. The final power of decision must rest with management. This is true even as to whether or not the project shall be continued. Should there be disagreement between the union and the management, this disagreement should be taken up through the formal grievance procedure.
2. Policies governing the work of the participants must be clearly stated before any work is done. Particular care must be taken to avoid commitments that it may not be possible to keep.
3. A standard must be based only upon fact and changed only by fact That means that standards as such are not negotiable.

Wage incentives are not a cure-all, but they do represent the best device yet developed to reward individual workers for their differing abilities and desires to produce. As such they are a vital element in our wage administration picture. Furthermore, if we are going to continue to increase the standard of living in this country, and in the world, we must find ways and means of increasing our productivity through improved methods and technological change. If we accept that premise, it is then essential that both management and labor consider the proper development of wage incentive plans and their use to consolidate our gains so that the maximum benefit for all can be attained. In so doing we must not threaten the security and prestige of the workers involved. There is a solution and it is up to management to point the way.

A paper presented at the Industrial Relations Conference of The Chamber of Commerce and Board of Trade of Philadelphia in January, 1947

Practical suggestions for counseling the veteran or which can be used to re-assign the industrial employee whose job has been abolished.

Commonsense Counseling

By Paul T. Kosiak, Washington, D. C.

Introductory Comments

"I don't know what I want to do" is a phrase familiar to vocational counselors. Another version is "You tell me—you're the counselor,"—given in answer to a question about occupational interests or plans.

Such statements bring the counselor face-to-face with the realities of vocational counseling. No longer is choosing a vocation a textbook lesson, a lecture by a professor in psychology, or the matter of library browsing. Before you is a man with a problem, the problem of choosing his life's work!

To the neophyte in counseling this is an ordeal to be "sweated out" many times before he can gain poise and confidence in his ability to do a professional job.

The modern counseling scene has become a most challenging one. Professional people counseling today must enter into the spirit of the times. This is particularly true in the counseling of veterans. There is little or no time for job exploration by use of brief work experiences, or opportunity to use the tentative selection techniques familiar to school counselors. Life has suddenly become very real and earnest for the veteran and he comes before the counselor with a feeling that "time's awasting."

All of which has demanded an adjustment on the part of most vocational advisors. It has confused some and disturbed others. With the result that too much of the current day counseling might be compared to the "pass, punt, or prayer" technique of a Michigan football team of a few years back.

Vocational counseling has come of age. It is now "big business." The counselor must have the know-how just as does the engineer, the machinist, the stenographer, and the technician.

The "art and technique" of counseling have been expounded many times in many places. You get the feeling that you just don't belong unless you can, in knowing fashion, use words and phrases such as "vocational adjustment," "psychometrician," "human engineering," "job families," "percentile ratings," "personality inventories," and others.

Now is the time for a simplified and commonsense approach to be used in our counseling: one adapted to the current needs of our veterans who make up the majority of the adults at most counseling and guidance centers.

Some years ago the writer attended a graduate lecture during which the professor stated that all the facts necessary for good counseling could be indicated by the mnemonic "CIO." (At that time those initials did not have the connotation and social significance of our present times). He made the point that by analyzing the individual according to C-capacities, I-interests, and O-opportunities, you had sufficient information to do a good counseling job.

Capacities meant a review of the person's school and work achievements plus interpretation of mental abilities, physical limitations, and personality adjustment. *Interests* were either those expressed verbally, some indicated by hobbies and extra-curricular activities, or verified by written tests. *Opportunities* represented the job situation or the labor market.

The war has brought us the veteran and current counseling experience with him has emphasized the need for analysis of two other counseling factors before the final selection of any vocational objective. The original CIO mnemonic becomes CIO-RD.

R—Reality of the situation. Personal experience as an Army Separation Counselor and as a vocational appraiser in counseling centers has brought to the fore realization of the importance of this factor.

Many are the times when according to an analysis of capacities, interests, and opportunities a veteran should have entered a training program for a specifically agreed upon and selected objective only to be thwarted by the "reality" of his particular situation. Usually it was the acquisition of a family during his services and for which he must provide an adequate income. Other reasons which have caused some men to hesitate in accepting the correct vocational objective are those of age and time-lag since last attending a school. The "reality of the situation" is an important concept in counseling since it stresses the socio-economic factors important to the welfare of the individual.

D—Drive. This is not a factor you can measure by tests but you sense it in the counseling situation as being part of the "make-up" of the disabled veteran before you. Usually any analysis of the capacity of the individual would consider physical limitations but "drive" represents a unique quality which may overcome the obvious physical limitations. The disabled veteran "doing the impossible" is the rule rather than the exception. The counselor should be alert to recognize this important factor.

The CIO-RD factors are accepted as the necessary over-all considerations involved in the counseling process. We are now ready to go from the general to the specific in choosing an occupation. This is a stumbling block for many counselors.

Just recently in interviewing an applicant for a counseling position the writer asked him what he did when the counselee "didn't know what he wanted to do." The answer was that "you could always force him to give you some objective!" Forcing an objective is definitely not a desired technique.

What one does at this point is not a mystery yet the simple procedure of "nar-

rowing down" to a specific vocational objective is difficult for many counselors. There is no magic word; one does not wave a magic wand. Whether the technique be of a direct or non-directive nature, or a combination of both, it is based upon a counselor-counselee relationship involving mutual understanding, respect, and confidence which will come only if the counselor shows by his work habits that he does know the "art" of choosing a vocational objective.

Counseling Techniques

Selecting a vocational objective is not a guessing game—it is a logical and scientific procedure. Though there may be variations and combinations of techniques there are but three basic approaches to the problem.

1. Analysis of individual survey factors which provide leads to occupational fields.
2. Utilizing vocational aptitude test batteries.
3. Analytical approach by the exploration of major occupational groupings.

I. Analysis of individual survey factors which provide leads to occupational fields:

In any counseling situation, whether with children or adults, veterans or non-veterans, the first effort is a review of the person's background. (Similar to the Veteran Administration Form #1902b, "The Individual Survey"). During this individualized and personalized contact the counselor is in position to get several leads which may have vocational significance.

No matter what the nature of the personnel form you may have before you in this initial contact you generally discuss the following: 1. Family work background; 2, School courses, success in specific courses, and subjects liked or disliked; 3, Hobbies, avocational interests, and extra-curricular activities; 4, Job efforts; 5, Work experiences, full-time, part-time, summers, and after-school; 6, Service experiences; and 7, Personal job plans.

It is at this point that the experienced counselor takes hold of the situation and "proves his mettle." Each of the above factors provides a point for departure in the selection of a vocational objective. Utilizing the tools and techniques of his trade he reveals new occupational horizons to the counselee.

1. *Family work background:* How much job information does this yield? Has the counselee ever considered the job possibilities offered in the industries and crafts in which some members of his family are engaged? The counselor should use available reference data such as the *USES Job Families*, *The National Job Descriptions by Industry and Occupations*, and the many *Occupational Briefs* and *Monographs* published by Science Research Associates, Occupational Index, and similar public or private groups.

A review of family work background may have additional occupational significance. Perhaps the counselee wishes to "rise above" the skill level or occupational rut of his family group; frequently the counselee will aspire to job success far beyond his capacities because the family desires him to be a professional man or a technologist.

2. *School courses, success in specific subjects, likes and dislikes:* The entire field of educational counseling relates to these factors and the possibilities, particularly in vocational counseling, are staggering. Did the person have an Academic, Commercial, Art, or Mechanical course? And the ramifications involved in each are not to be slighted. Why was such a course chosen? What success was achieved? What interests were aroused? The counselor should secure school transcripts and evaluate them with the counselee.

Tests must be used. The General Educational Development battery, the Achievement tests by Stanford, Progressive, Cooperative et al will aid in evaluating past educational experiences. Mental ability tests such as Ohio State Psychological Examination, American Council of Education Psychological Exam, California Test for Mental Maturity, Wechsler Intelligence Scale, and others are aids in prognosing future educational attainments. Such facts must be known in predicting probable job success in certain fields of work.

The counselor should use the Carter Good *Guide to Colleges, Universities, and Professional Schools* as an aid in course planning. Equally valuable are specific *College, Trade, and Technical School Bulletin and Brochures. Part IV of the Dictionary of Occupational Titles* will be used very often because it relates civilian and service training courses to entry-job areas.

3. *Hobbies, interests, and avocational activities:* They represent specific pegs to which we may tie an occupational choice. Typical examples are—the Junior High School boy becomes fascinated with his Christmas chemical set and wants to become a chemist; the reporter on the High School paper wants to be a journalist; the girl who did the gowns for the school play wants to be a fashion designer; the disabled veteran liked to do leather craft work in occupational therapy and wants to train for some job related to this activity.

The greatest single aid for the counselor is *Part IV of Dictionary of Occupational Titles.* It offers an alphabetized listing of many hobbies and extra-curricular activities and relates each one to fields of work, each offering many occupational possibilities.

Expressed interests may be verified or new ones brought to the fore by the use of Interest Tests. The *Kuder* and *Strong* interest tests are known to all counselors; others are becoming equally well-known. Especially valuable are the counseling aids similar to the one prepared by Kuder which lists specific job titles for each major interest area.

4. *Job efforts:* This is as significant as any other factor. Does he have any plan for landing a job? Do his job contacts indicate any job preferences? Why hasn't he landed the job? How does he react to job referrals and job refusals? These are very important leads for the counselor. Is he unemployed because he isn't qualified, does not make the most of his capacities, lacks self-confidence, . . . etc.

Consideration of this topic may result in referral to mental hygiene clinics; may "sell" the need of additional training; or may require that the counselor use such

tools as *USES Labor Market Information*, *VA Manual of Occupational Information*, and local job information data found in *newspapers* and *classified directories*. Perhaps the counselor and counselee may have to review topical paragraphs from text book material on themes such as "Choose your job and Land it."

5. *Work experiences, whether full-time, part-time, summers, or after-school:* The work experiences of the individual may have a positive or negative effect upon future vocational plans. The individual will have either "liked" or "disliked" his job experiences. If the work has been pleasant then the counselor must use vacational information data which will relate this specific experience to broader occupational fields or indicate job family hierarchies for upgrading purposes.

Some counselors place too much emphasis upon part-time or after-school experiences. It is not to be denied that such work experiences may provide a lead to a vocational objective but usually such jobs are merely "of the moment" and an economic necessity. Much of the job experiences of adults prior to the war was a "depression necessity" and not at all related to the job interests of the worker.

However, where such work experience does have counseling significance the counselor must use the *Job Family Series*, *Job Descriptions by Industries*, *Part II of Dictionary of Occupational Titles* and *Part IV of Dictionary of Occupational Titles*, and similar occupational compendia, in order to expand the occupational outlook of the individual.

Job Family Series and *Job Descriptions by Industries* will provide job information relating to the job experience of the worker. *Part II of the Dictionary of Occupational Titles*, by the nature of its logical coding structure, will provide additional leads on each skill level as well as related job information in major occupational groupings. The table in the back of *Part IV*, *Dictionary of Occupational Titles*, relates job titles (which may represent the occupational experience of the counselee) to entry-job areas which serve to expand occupational considerations. Although the *Tables of Related Occupations* was devised to relate Service work experience to civilian jobs the counselor very often may use this tool to relate a civilian job (as expressed in its Service counterpart) to job groupings of an upgraded nature which might be attained by further education and training.

6. *Service experience:* The individual's service experience may or may not be important in the counseling situation. The Occupational Analysis Division of U.S. Employment Service prepared several manuals which indicated relationships between a person's Army-Navy work experience and civilian jobs which he might enter into or prepare for by advanced training. Known as *Special Aids for Placing Military (Naval) Personnel in Civilian Jobs* they serve well as counseling tools if used intelligently.

Many service persons attended special Army-Navy training courses. *Part IV*, *Dictionary of Occupational Titles*, lists such courses and makes references to occupational fields where such training could be utilized.

7. *Personal job planning:* Some persons, during an initial interview, may present

to the counselor certain vocational objectives which they (the counselees) have been considering. These suggested objectives should be reviewed very carefully. However, persons making such suggestions are not of the "I don't know what I want to do" category; it is not to be denied that very often persons with specific objectives in mind are more of a counseling problem than those with no objectives. Others do have objectives in mind but hesitate to reveal them until a satisfactory personal relationship has been established. At no time should the counselor probe for "hidden" objectives to such an extent that the counselee feels forced to name one.

II. Utilizing vocational test batteries:

There is no need to expand upon this recognized and accepted technique of selecting a vocational objective. Testing plays an important rôle in the counseling process. The only word of caution is that test results should not be the sole criteria in selecting a vocational objective. Relate them to other significant factors.

Batteries of interest, mental ability, personality, achievement, and aptitude tests are "tools of the trade." But as in any trade or craft the worker seeks to improve his tools to do a better job and psychologists throughout the country are striving for better diagnostic and prognostic tests.

III. Analytical approach by the exploration of major occupational groupings:

There will be times when the counselor feels as though he has come to an impasse in reaching a vocational objective. The "individual survey" will have provided no worthy job leads and results of test batteries indicate no particular vocational pattern. This is the opportune time to use the third counseling technique known as the "analytical approach."

The vocational objective, when finally selected, usually will be a five or six digit coded job title from Part I, Dictionary of Occupational Titles. The job titles in Part I of the Dictionary are listed alphabetically and these same titles are to be found in Part II of the Dictionary, arranged according to a logical code structure. Therefore, since our "unknown" occupational objective will eventually be found in Part II of D.O.T. the counselor can use this text as a counseling tool once he is familiar with its format.

The analytical method of selecting a vocational objective by exploration of occupational groupings has five major steps:

1. Selecting the desired major occupational groups.
2. Reviewing three-digit occupational grouping titles within the selected major groups.
3. Listing specific job titles found within the approved three-digit groups.
4. Reviewing or eliminating these job titles as per counselee's desires.
5. Selecting, in order of choice, the remaining vocational objectives and validating each according to the basic factors involved in selecting an occupation.

To initiate the analytical approach the counselor should explain to the counselee

that most of the world's work can be grouped under certain major occupational groupings. As each one is mentioned and discussed it should be listed across the top of a blank piece of paper. The seven major occupational groupings, according to Part II, Dictionary of Occupational Titles are: 1—Professional and Managerial, 2—Clerical and Sales, 3—Service, 4—Agriculture, Forestry, and Fishery, 5—Skilled, 6—Semi-Skilled, and 7—Unskilled.

Because of some experience in the counseling situation these groupings have been revised and modified to meet operating needs and are presented to the counselee as follows: Professional and Technical—Clerical—Sales—Service—Agriculture and Forestry—Trades and Crafts. (See Exhibit #1, attached).

EXHIBIT #1

	Professional & Technical	Clerical	Sales	Service	Agric. & Forestry	Trade & Crafts
Step #1	O.K.	?	X	X	X	?
Step #2	Prof. & Tech. 0-18 Eng., industrial 0-19 Eng., mechanical 0-68 Semi-prof. occup.		Clerical 1-18 Gen. industrial Clerks		Trade & Craft 4-75 Machinists 4-76 Tool maker 5-83 Repairman	
Steps #3 & #4	0-18 Time-study eng. O.K. 0-19 Plant eng. X 1-18 Production clerk O.K.		4-75 Machinist II X Job setter II O.K. 4-76 Tool maker X Tool inspector O.K.		5-83 Maintenance mech. O.K.	
Step #5	A Time-study eng. Production clerk Job setter Tool inspector				B 1. Production clerk 2. Time-study man 3. Job setter	

Beginning with these major groupings certain considerations should be reviewed and analyzed with the counselee in an attempt to start "closing the bands" of occupational possibilities by eliminating major groupings not desirable or suitable. Each grouping should be finally acknowledged by both counselor and counselee as (1) "Yes, this is a possible field of work," (2) "This is a doubtful field, we'll have to explore it further," or (3) "No, I have no desire to do this kind of work." Thus the counselee, as a first step in the analytical counseling process, considers the major groupings and eliminates some of them. (See Step #1, Exhibit #1)

Just how is this done?

Having listed the major occupational groupings the counselor discusses each with the counselee in terms of general factors which would tend to eliminate it or cause it to be considered as a vocational possibility. These factors will vary from

case to case but in general will relate to known facts as per capacities, interests, opportunities, reality of the situation, and drive.

The following paragraphs are merely illustrative of this phase of the technique and each counselor will, through experience, devise his own methodology.

1. *Professional and Technical.* Entry into this field depends upon the educational achievement, mental ability, and prognostic data on probable success in advanced training. Professional and technical jobs require many years of preparation, much study and concentration. Factors of age, family status, economic situation, personal responsibilities, and awareness of the "job ahead" are significant. Thus even before specific jobs in the field are to be considered a decision must be made as to the feasibility of entry into it.

2. *Clerical.* Can the person adjust to the environment and routine of office work? What is his physical condition? Is he aware of pay scales, job security, or advancement limitations? Is the person willing to go to a Business School for specialized training for advancement or to acquire specialized skills in stenography and operation of business machines? Again, before any one job is selected the field may be eliminated. Or the person may say "that's just the kind of work I'm looking for." How does he score in tests of "clerical aptitude?"

3. *Sales.* What about appearance and personality? Does he seem to "fit" into this occupation? Is he thinking of clerking jobs, general sales activities, or specialized sales work? Does he want a salary or commission? Can he physically do the work? Is he aware of the competitiveness of this field? Does he have a car, can he travel, what kind of experience has he had in dealing with people? Why does he think he will make a good salesman? The ramifications are many and each counselor will soon have his personalized check-list to review before he will accept this field as one to be explored in detail.

4. *Service.* Is the counselee aware of the "job realities" of this grouping? Does he know, generally, the kinds of jobs available in the domestic, personal, and protective service fields? Is he or she willing to work in a service environment and in a service status. Some persons do, some do not; however, some who decide they do not wish to work in the Service field will reconsider when presented with possibilities of offering service as a proprietor of a small shop.

5. *Agriculture and Forestry.* Most counselees do not wish to enter this field on the unskilled or laboring level. Alternative choices of farm ownership or being a technician present other problems which should be reviewed very carefully. Study of physical capacities and stamina is important. For the city or town counselee the question of opportunities is paramount. Does the individual like outdoor work and is he able to work long hours? Can he stand the quiet and solitude; is he self-sufficient? Men anxious to get into farm management should have opportunity for try-out experiences before final selection of such an objective.

6. *Trades and Crafts.* What kind of scores did he have in manual dexterity and mechanical aptitude? What is his capacity for independent judgment? Much lift-

ing and carrying may be demanded,—can he do such heavy work? Can he adjust to the pressure of shop work, process work, or outdoor craft work? What does he know of shop environment, union restrictions, tools and machinery? Will he be an unskilled or semi-skilled worker, an operator or a craftsman? Does he know about apprenticeship programs, on the job training, and the labor market?

The preceding six paragraphs give an indication of the kind of "out-loud" thinking that the counselor and counselee must do together in a quick review of the major occupational groupings in order to eliminate some and start the "narrowing down" process. No attempt is made to select or discuss in detail, at this time, any specific occupation.

This initial effort requires but ten or fifteen minutes and each counselor will tend to acquire a specialized approach to meet the needs of the situation. The important fact is that after this occupational review has been completed you have eliminated the obvious and are ready to work on the "yes" or "doubtful" groupings.

The second step of the analytical method in the selection of an occupational objective is a careful review of three-digit occupational grouping titles in the remaining major groupings.

To do this the counselor turns to the exact page in Part II, Dictionary of Occupational Titles, where such a grouping starts. Thus on Page #1 the Professional three-digit groups begin as follows: 0-01 Accountants, 0-2 Actors, 0-04 Artists, 0-06 Authors, 0-7 Chemists, 0-13 Dentists, 0-15 Engineers, ... etc. . . concluding with 0.99 Managers and Officials, NEC. The Clerical group starts on page #21—1-01 Bookeepers, 1-03 Checkers, 1-05 Clerks, 1-15 Collectors, etc. The Skilled groupings in Trades and Crafts begin on page #59—4-01 Bakers, 4-05 Confection jobs, 4-14 Knit goods occupations, 5-08 Opticians, 5-36 Chauffeurs, 5-83 Repairman. . .etc.

At the conclusion of such a review the counselor will have listed on his worksheet (See Step #2, Exhibit #1) a number of three-digit group titles which he will explore in some detail with the counselee.

It is during this process of recording possible vocational choices per three-digit grouping titles that the counselor can use his experience and knowledge of occupations. He may have to explain occupational content of some groupings, talk briefly about educational requirements for others, or reject further consideration of still other groups because he knows that no training or placement opportunity exists. Here is the real dynamics of the counseling process which can't be recorded by rule of thumb and will vary from counselor to counselor.

The third step in the analytical approach is to review and analyze specific occupations within each three-digit grouping still remaining. Each job title is checked verbally with the capacities and interests of the individual. Thus, in the 0-18 industrial Engineer grouping the counselee may desire only "Time Study Engineer" out of all the jobs within the group. At the conclusion of the review of all three-digit groupings (specific jobs within these groups) a number of jobs will be offered as specific occupational possibilities. (See Step #3, Exhibit #1).

The fourth step in the analytical method is a careful study of the remaining job titles, considering each in turn as a possible vocational objective. Certain ones will be checked as desirable and others will be eliminated. (See Step #4, Exhibit #1). By this time the counselor should have established a good working relationship with the counselee and an honest mutual evaluation of each occupation should be made,—with the counselee free to make the final choices.

The last step consists of two phases. (See Step #5, Exhibit #1). Part "A" involves making a final listing, in no particular sequence, of all jobs not eliminated and any of which might be chosen as a vocational objective. Part "B" lists the jobs in order of preference. Concurrent with this the counselor should give information relating to methods of entry into the chosen field of work and the kinds of training necessary and available.

Conclusions

When a final vocational objective has been selected, whether by means of (1) job leads from the initial individual survey, (2) from job fields revealed by test batteries, or (3) as a result of an analytical consideration of major occupational groupings, it is necessary for the counselor to "validate" or "document" the choice. Why is this particular objective a reasonable choice? Why has it been selected? What does the counselee offer as evidence that he can achieve success in the objective selected?

A good technique for this "validation" process is for both counselor and counselee to verbalize the question of "why this objective" and then proceed to write down all the reasons offered. This is not a generalization but is a review of specific factors which will validate the choice of the objective when compared to alternative choices.

Selecting an employment objective is the heart of the vocational counseling process. It is a great responsibility which the counselor shares with each counselee. Proper vocational adjustment of the individual contributes to the well-being of the nation and is a direct challenge for all vocational advisors.

Employers who do not have complete protection for their employees against loss of wages through sickness, disability and death should consider the problem before being forced into it.

Security against Loss *of* Wages

By F. O. Dietter, Aetna Life Insurance Co.

What is meant by the term "Health and Welfare Plans"? Everyone has ideas of what this term means but its scope or the proportions it could reach may best be expressed in the phrase "Security From the Cradle to the Grave". This brief discussion will be limited to Health and Welfare Plans as they pertain to employees and employers and many of my facts have been compiled from the National Industrial Conference Board Management Record.

Health and Welfare Plans are not new. When people first took steady employment most jobs included protection of some degree against sickness, accident and even death. Maybe the death benefit paid by the employer as a good-will gesture or as a moral obligation was enlarged upon by the employees "passing the hat" and partial wage continuation through weekly benefits during periods of disability was eventually assured by the formation of Employees Benefit Associations.

The transition from the informal to the formal and then to the insured Health and Welfare Plans was gradual and very limited at first. Group Life Insurance was first underwritten about 35 years ago when some employers wanted to treat the dependents of all his employees alike and provide benefits which would not be discriminatory. Furthermore, employers wanted to insure their risk so that there would be a more or less level premium expense, rather than a varied donation expense which might be highest during years when they could least afford it. Real impetus was given to the sale of Group Life Insurance during World War I when every known tactic was used by employers to encourage employees to work for them.

The evolution from informal to formal and then to insured Sickness & Accident Benefits was also gradual. Many informal plans involved too many injustices and many uninsured formal plans were unsound from an underwriting standpoint. Many of these plans were expensive to administer and the inequalities in them caused employee dissatisfaction. Employers felt that many of these plans fostered paternalism and they no longer liked to sponsor any plan that had the stigma of paternalism.

At the same time many employers realized the need and the desire on the part of employees for this protection so the insured plan, mostly on a contributory basis, was the answer. Group Sickness & Accident and Accidental Death & Dismemberment Insurance were first underwritten by insurance companies about 1921, Group Pension Plans a few years later and Group Hospitalization and Surgical Fee Benefits began in about 1937. The "baby" of the conventional Group Coverages is the Medical Expense Benefit Plan which was first underwritten within the past three years. A common-sense analysis reveals that the insurance companies did not market a new coverage until the demand for that particular protection was brought to their attention.

The important fact is that Health and Welfare Plans did exist, in one form or another, for a long time and many of the progressive firms in this country realized the worker's need and desire for this type of protection by making such plans available. There are a number of underlying reasons, however, why unions took and are taking an active interest in Health & Welfare Plans. Following is a quotation from an article which appeared in The National Industrial Conference Board Management Record June 1946 issue.

> "The United Mine Workers' Union has won its demands for a health and welfare fund, and it can be expected that other unions will make similar demands, especially upon companies in which collective bargaining is to some extent on an industry-wide basis."

This statement, made last June has proved correct. Union leaders justify their election by all the various benefits they can obtain for the union members. Union officers realize that the membership needs and wants protection against all the hazards of life; namely, Unemployment, Sickness & Accident, Hospitalization, Medical and Surgical work, Death and Retirement. Nationally we have Workmen's Compensation Benefits, Unemployment Benefits and the Social Security Benefits, but only two States, Rhode Island and California, have provided Cash Disability Benefits. Several other states, however, will probably pass this type of legislation before the end of 1947. More about these State Plans later.

During the war when Wage Stabilization prevented many wage increases some firms provided new or revised comprehensive group insurance plans. In some cases such plans were voluntarily adopted by employers while in other cases, the unions requested or demanded them.

From the employer's standpoint, he realized that he must offer good workers a good place to work and security against certain hazards of life. Any money spent for group insurance premiums was a legitimate business expense from the Income Tax standpoint, so the two factors combined resulted in a tremendous growth in Group Insurance durng the past 5 years. Probably more Group Plans were bought during this period and certainly more will be bought in the future because employers realize it is sound business rather than because of any tax relief they may receive.

When unions could not force increased wages they fought for other benefits

including Health and Welfare Plans or Group Insurance. Many comprehensive plans were adopted with the employer paying the entire premium and if group insurance had been in force on a contributory basis the employee's saving of his contribution amounted to the same thing as a small wage increase.

Wages are no longer frozen but public opinion may do a great deal to curb wide demands for wage increases. Public opinion on the other hand, favors any plan which will be of benefit to the public as a whole so long as it doesn't cost much and with this type of sponsorship, unions will probably make an even more concerted drive for Health and Welfare Plans.

Almost every industry has been affected, at least to some degree, by labor's demands for Health and Welfare Plans. Some industries, such as the needle trades, textiles, upholstering, carpet, coal mining and many others have worked out specific patterns for Health and Welfare Funds or Plans. Others like the Rubber, Steel and Automotive Industries are working on recommended plans now.

Before going into the trend of these union demands some light might be shed on what many employers, some unions and most insurance companies think constitutes a sound group insurance plan. A good plan for an industrial concern is not a good plan for a financial institution or for any company that employs a high percentage of "white collar" or salaried employees. Take for example, an industrial concern employing mostly skilled labor, some unskilled and a relatively small office force. Probably a sound Health and Welfare Plan would provide Life Insurance in amounts equal to approximately one year's earnings, Sickness & Accident Benefits, at least for the wage earners, equal to 60% but not over 70% of their *basic* weekly earnings, Five or Six Dollars Daily Hospital Benefits for the employees and their dependents, Maximum Surgical Fee Benefits of $150 and Medical Expense Benefits to cover physician fees. To make the Plan really comprehensive, a Pension Plan to supplement the Social Security Benefits should also be included but such Pension Plans probably should not be provided *unless* or *until* the basic group coverages are in effect.

Many Union Plans stipulate that the employer pays into a fund from 2% to 3.5% of his payroll to provide the Health and Welfare Plan. Usually the amounts of Life Insurance are kept at a minimum of $500 or $1000. The Sickness & Accident Benefits are usually high, however, and provide a cash weekly benefit of from 60% to 75% of the average weekly earnings. Now this differs quite widely from a soundly underwritten group plan and can best be explained as follows—

> Assume a worker earns $1.00 an hour and is working 48 hours a week. At time-and-a-half for overtime he is earning $52.00 and if he has two dependents, his take home pay is $47.46 after deducting his Withholding Tax, Social Security Tax and Philadelphia Wage Tax. If he is insured for 75% of his gross weekly earnings averaged over the past month, he will receive $39.00 in Weekly Disability Benefits which are free of all deductions or only $8.46 less than his 48 hour pay check. If he should be disabled right at the time the work week is cut

back to 40 hours, which would mean a take home pay of \$37.90 he will receive \$1.10 more in weekly benefits than he could earn if he were working. Malingering would probably result, at least in some cases. Under the soundly underwritten plan he would receive \$24.00 or 60% of his basic \$40.00 weekly earnings. Malingering is not so likely.

The Union Plans usually include Hospitalization and Surgical Fee Benefits at least for the employees themselves. Some Union Health and Welfare Plans, like those of the American Federation of Musicians (AFL) and the United Mine Workers, are financed by royalties paid by the employers. Others are financed by the employers' contribution of a certain percentage of his payroll, while still others are financed by joint contributions of employer and emloyees. Some unions underwrite their own plan and the Amalgamated Clothing Workers of America have their fund administered by the Amalgamated Life Insurance Company which is chartered under New York State Insurance Laws. Union members of the Amalgamated Clothing Workers of America, who work in establishments where the employors have agreed to contribute 2% of their payroll, are eligible for benefits under the plan. \$500 Life Insurance is provided, \$12.00 a week Disability Benefit for men and \$8.00 for women together with Hospital and Maternity Benefits.

Most Health and Welfare Plans are underwritten by the old line insurance companies but the union often takes an active interest in the plan selected.

In the textile, street railway, shipbuilding, furniture, paper, electrical apparatus and many other industries the Union Health and Welfare Plans, negotiated with their employers, are underwritten by the group insurance companies. Under some agreements the employer may select the carrier, while in others the employer's contribution is turned over to the union which, in turn, makes the contract with the insurance company. In some cases a three-way contract is made; employer, union and insurance carrier.

Many employers who provide Group Insurance Plans before they are forced to do so not only can purchase sound and adequate protection at reasonable expense but have full control of those contracts. By full control is meant that the employer can select his underwriter, decide what he wants to do with the dividends or cash refunds paid by the insurance company and keep the Health and Welfare Plan out of Union Contracts. By so doing, many controversies can be avoided, because varying amounts of benefits may be subjects causing much negotiation every time the Union Contract or the Group Contracts are up for renewal.

Many Health and Welfare Plans provide only basic protection but the trend is to broaden the scope of these plans and after they are made adequate, pension plans to supplement the Social Security Benefits will be the next protection sought by the Unions. For example, most people have the mistaken idea that the five-cents-a-ton royalty paid by the coal operators into the United Mine Workers Health and Welfare Fund will provide large benefits. A recent study shows that after keeping some money in a reserve fund, these royalties will probably buy only \$500 Life Insurance

and $15.00 Weekly Sickness & Accident Benefits for each union member. Few modern Group Plans provide such meager benefits and yet these comprehensive group plans are not expensive.

The employer who employs some workers who are not members of the union; for example, salaried employees, or the employer who must negotiate with more than one union has a real problem when he is confronted by one of these unions demanding Health and Welfare Benefits. It is difficult to provide for benefits to one group and not to the other. The best solution is to provide sound comprehensive Group Insurance Benefits which will be satisfactory to all before any one group makes the demand.

In conclusion, pending legislation which involves these Health and Welfare Plans should be mentioned. The pending Wagner-Murray-Dingell Bills contemplate benefits which have been estimated to cost anywhere from 4% to 20% of all payrolls. Rhode Island has a compulsory State-operated plan, while on December 1st, 1946, California's Compulsory Disability Law became operative. The California Plan differs in one respect from the Rhode Island in that, although it is compulsory for employees to be insured, the employer may arrange for an approved voluntary plan so long as the benefits are better than the State Plan and the plan does not cost the employees any more. It is reported that Governor Warren will next press for the enactment of a law providing compulsory hospitalization and medical and surgical care insurance. It is expected that our neighboring State of New Jersey will pass a Compulsory Disability Law this year.

The United States Chamber of Commerce reported on December 25th, 1946 that "approximately 40% of the employees in private industry are protected against loss of wages due to temporary disability. One out of five employees covered by such policies received benefits during 1945," the report said.

Health and Welfare Plans, in one form or another, are here to stay because the employees of these United States need and want the protection. Progressive employers, union activity and State or even Federal Legislation will provide for the protection.

A paper presented at the Industrial Relations Conference of the Chamber of Commerce and Board of Trade of Philadelphia in January, 1947.

Blind workers prove superior for many tasks. How one English manufacturing company made the most of their opportunity to use blind veterans.

Training Sightless Veterans *for* Precision Work

By Alan Ivimey, England.

At this time British industry needs every available man and woman behind the "Britain Can Make It" drive illustrated in the current London exhibition of that name.

Manpower losses in wartime are suffered not only on battlefields but when military service eats, locust-like, the precious years which should have belonged to training for and practicing a job. After the 1914 war, Britain lost thousands of potential workers because no adequate scheme was at hand to get them into training for peace; to adjust their minds and bodies from the restless here-today-and-gone-tomorrow of wartime to the tamer conditions of daily work.

This time the lesson has been learned and, with an acute shortage of labor, the disabled ex-Serviceman has almost as good chance of a job as his unscathed neighbor. Even the blind now have their chance in Britain's industry at equal wages with sighted workers. And, the other day, I went down to a big aircraft factory at Reading, 40 miles west of London, to watch some of these sightless workers at the bench.

This factory, by the way, made many of the training planes on which the fighter-boys of the Battle of Britain learned their trade; and here I talked to blind men making precision parts, on which pilots' lives depend.

Cutting Planet Pins

In one shop where reduction gears are made I watched war-blinded men cutting planet pins up to 1/2000 in. on an electric lathe. Richard Comley looked after two gear-hobbing machines simultaneously. He moved about quietly with quick,

gentle touches of the machinery for guidance and had no fear of hurting himself. Within five feet of his back, if he turned that way, was a big capsten lathe with murderous bits projecting from it.

"Before the war," he said, "I was a salesman for a firm making women's shoes. It was those women's things that gave me my delicacy of touch," he added, smiling in my direction.

Here was a cheerful and confident worker if ever there was one. He said it took him only about a week to learn the new job, and that he had never hurt himself at it.

On our way across to the assembly shops we passed a little hut, something like a sentry-box, with a half-door and a glass window, used as a kennel for one of the guide dogs which accompany blind workers to and from their homes. She was a big Alsatian, and when I looked in over the half-door she glanced up quickly, with dark eyes that seemed indeed made to see for two. Tessa was her name, and outside her house was a notice asking factory workers and others not to pet or handle her. A guide-dog is a one-man dog, and fondling by many hands would inevitably spoil the effect of the training which makes dog and blind man virtually a single unit so far as getting about is concerned.

Then we were making our way through huge sheds, with the skeletons of aircraft beginning to take their shapes, to a screened-off portion where a notice asked that nobody distract the attention of blind workers. Behind the screen, two of them were working at high-speed routers which cut out duralumin plates to a shape. Robert Patterson, a 27-year-old British veteran who lost his sight on the beaches of Dunkirk, showed me the template, with a two-handed wooden mount, on which the duralumin was carried. As long as he held the handles, his fingers were well away from the cutter. Yet he put his fingers under the safety-guard and showed me how his sense of feel really made everything quite safe. And so it was for a blind man—and much safer, to that highly sensitive touch, than for one who could see. Yet that cutter operated at 24,000 revolutions a minute.

His mate showed me how to bevel the edge of a metal plate, and offered for my inspection the leather gloves he wore to keep the hot duralumin fragments, lying like a silver dust about the machine, from touching his skin.

Both men had married girls in the factory.

Most Undistracted Workers

Our conversation was made a little difficult by the rhythm of a big power-hammer beyond the screen, but I could see by the way they worked that these men with only four senses had one marked advantage over their mates with all five; they were never tempted to look up from their work. They were the most undistracted of workers. And I was told that, in general, blind workers have a higher output than the rest, for this reason.

Then we had a word with Albert Wernham, who was busy knocking nails at

carefully measured intervals into lengths of tacking strip, used in making tight joints for wooden fuselages. He measured the required distances with thumb or finger, and never worried about hitting either with his hammer. In the old days Albert would just have been trained to make baskets.

Then we moved across to the office block and paid a visit to the Company's blind secretary, Doris Archer. She was a small, dark-haired, and very alert girl sitting at a typewriter. Alongside the typewriter was a machine for typing Braille shorthand. With this she attends meetings and takes down the minutes with complete accuracy, knowing who said what by the positions in the room whence the voices come, as well as by the tone of each speaker's voice. Then she goes back to her typewriter and transcribes her shorthand as neatly as the best of seeing secretaries. And her letters are as well set out as can be.

Behind her chair lay Sam.

Sam is a grey Border Collie, with a white chest, and his job is to take Miss Archer around.

"You see he's in his harness now, and on duty," she said. "When I get home I take the harness off and, if we're just going for a walk with one of my friends, I let him run. After all, he's entitled to some time off, just like anyone else."

I looked at Sam, Sam looked at me, and then I broke all the rules about not petting guide-dogs. Sam seemed to like it that way. But all the time he kept an eye on his girl friend.

He takes her along to lunch every day, up a flight of open wooden steps to the canteen, walking along beside the counter till he comes to an empty seat and then stopping. Miss Archer sits down and orders her lunch, with a helping for Sam, for it's one of the rules that a guide-dog is always fed by his blind friend. In the evening Sam takes her along to the bus stop, finds her a seat, knows just when it's time to get out and change to another bus. He stops automatically at every street crossing and curb, but otherwise is under command of the three words Right, Left or Forward.

"It doesn't do to get too much into a routine with your guide, though," she explained. "If I went regularly to Woolworth's, say, he'd never let me pass the place but always be pulling me into it. You have to keep command of your dog."

Sam has started a special fund, in his own name, in aid of the Guide Dogs for the Blind Association, and this fund has raised over $12,000 already. A guide dog costs $240, so Sam's doing pretty well.

Get Same Pay, Same Respect

In this factory there are, of course, workers disabled to some extent in other ways than by blindness. And one of the most urgent problems of the Re-settlement staffs of Britain's Ministry of Labor is to get these damaged warriors into useful, and therefore happy, life again. A start has been made with obtaining employment for the blind where both their skill and their wages are equal to those of the other

workers—where previously they were confined to work at home or in special institutions at basket and net making, or in massage work. And one-armed and one-legged men, or men with wrecked nerves, are being started on work which gains them the same pay and the same respect as their more fortunate brothers.

Training centers are already overcrowded, but temporary work is found for would-be trainees; and often a man finds this carefully chosen temporary work suits him better than the job for which he applied to be trained.

A Ministry of Labor official with whom I talked at Reading told me how he went into a factory one day and saw a man painting a boiler with the idle hand in his pocket. This was a telling object lesson, for it led to the employers trying a one-armed ex-Serviceman on the job and releasing the two-armed man for other work.

In another case a partially disabled cabinet-maker was, through a Ministry officer, enabled to buy an otherwise unobtainable kind of plane, now being made for export only. The whole of Britain is scoured for tools for such men so that they can get back into industry or trade, which so sorely need their services.

Book Review

UNDERSTANDING LABOR

By Bernard H. Fitzpatrick. McGraw-Hill Book Company. New York. 1945. 179 pp. $2.00

This book escaped our attention when published a year ago—but we have since discovered it to be a very essential contribution to the very theme suggested by its title . . . Understanding Labor.

The thesis is found in the assumption that the basis of all sound labor relations is the recognition of the human qualities and personalities of both employee and employer. Let either traverse the dignity of the other—and he is headed straight for trouble.

Labor and management must adjust themselves to changing social and economic conditions—constantly changing conditions. Only in a stagnant society can we expect labor peace to be relatively assured. From this observation the reader is left to draw his own conclusions about the possibilities of labor peace in the years to come.

The author covers a great deal of territory in this book. He searches labor history, explores labor economics and expounds a philosophy of conflict that appears to be palatable to both management and labor. He brings out some fundamental principles of dealing with people which both sides in labor relations are continually ignoring. He has no patience with labor pampering and blames management severely for being too lenient in many cases.

One of the most interesting parts of the book is the author's examination of true and false doctrines which he contends are constantly interfering with sound labor relations. Another point of controversy which Fitzpatrick expounds rather well is the possible modification and general acceptance of the doctrine of ownership as applied to a job.

With all this we may not agree, but it does help us to better understand those with whom we must deal. When you finish reading this book you certainly have a better understanding of what labor stands for—and what labor wants.

ERRATUM

Through oversight, credit was not given to the Chamber of Commerce and Board of Trade of Philadelphia for permission to print an excellent paper which had been presented at their Industrial Relations Conference held in Philadelphia, January 14, and 15, 1947. This paper was:

"Supervisory Training Methods," by P. B. Lewis

PERSONNEL JOURNAL

The Magazine of
LABOR RELATIONS AND PERSONNEL PRACTICES

INDEX

Vol. 26

MAY 1947 — APRIL 1948

EDWARD N. HAY
EDITOR

Published by
THE PERSONNEL JOURNAL, INC.
Swarthmore, Pennsylvania

Index

EDITORIAL

ARTICLES

BOOKS REVIEWED

PERSONNEL
Journal

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LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

(President and Treasurer, CHARLES S. SLOCOMBE. Secretary, J. SLOCOMBE)

Lincoln Building, 60 East 42nd Street, 17, New York City

Volume 26 *Number 1*

Contents for May 1947

EDWARD N. HAY, *Managing Editor*

J. SLOCOMBE, *Circulation Manager*

EDITORIAL
PERSONNEL JOURNAL
25th Anniversary

The first issue of Personnel Journal appeared in May 1922, just twenty-five years ago. In the intervening period there have been many important developments in the field of human relations. These changes have nowhere been so profound as in industry and commerce. Twenty-five years ago the machine was the key to production. The emphasis everywhere was on the machine, its design and its use. Industrial problems were engineering problems.

Today, while the machine and its effective application have lost none of their intrinsic importance, the emphasis has shifted to the employee who operates, designs and directs the use of the machine. The emphasis is now on MAN and on the many relationships among men. The most important problems of today are problems of Human Relations and of ways to make full use of human energies. These problems are those, first of the executive and second, of the personnel man.

Personnel Journal is dedicated, as its name implies, to the interests of personnel men everywhere. That is, to those things which have to do with people who work together; in industry, in commerce, in government, in education, and in every kind of group effort. Many of these personnel problems concern only the individual; his economic security, his "Placement"—the square peg in the square hole and the "well-rounded" peg in the round hole—his individual opportunity for gaining satisfaction and pride in his work and his chance to get fair pay for his efforts.

The newer and more difficult problems of personnel are in the area of human relationships. Many of these have arisen with the growth of organized labor—and labor disputes are but symptoms of unsatisfied needs.

Other and more subtle questions are concerned with the reactions directly between people; as between the supervisor and the worker; between the supervisor and groups of workers; and between the executive and a group of other executives or supervisors. Sound thinking in these areas is being done by psychologist, the sociologist, the anthropologist, the psychiatrist. Their inquiries deal with human motivation and human needs and with the dynamics of human relationships. It will be an increasingly important task to bring the results and the implications of these researches to the desk of the practicing personnel worker and the new-type executive, along with all the newest developments in the more familiar fields of formal labor relations, salary and wage administration, and the like.

For its second twenty-five years Personnel Journal re-dedicates itself to the daily interests and problems of the practical personnel worker.

Edward N. Hay
Managing Editor

A wildcat strike is a danger signal; a sign that things are not right with the workers. Usually it means that the grievance procedure is not working.

A Wildcat Strike Means Trouble Ahead

By R. W. Putney, Denver, Colorado

The wildcat strike—a spontaneous walk-out without union support—has been generally condemned by management and union representatives alike. Many managements have attempted to provide penalties against unauthorized work stoppages in the labor agreement, reasoning that a wildcat strike is just a plant-wide strike in miniature and that the workers should follow collective bargaining procedure. It has even been suggested that wildcat strikes should be outlawed by act of Congress.

Such statements show lack of understanding, to say the least. A wildcat strike seldom grows out of collective bargaining efforts. Managements who regard a wildcat strike as identical to a union-called strike are not only unprepared to deal intelligently with the work stoppage, they are also overlooking the fact that the circumstances from which the strike arises are potentially more damaging to production than the strike itself. Let us examine a few of the differences between a wildcat strike and a union-called strike.

1. In modern plant-wide or industry-wide bargaining, where unions are established and recognized, the strike is simply a tool of collective bargaining. The workers know that they are staking the money they will lose during the strike against the money they hope to make as a result of it. They have reasoned out the risk and usually are not particularly emotional about it. On the other hand, a wildcat strike typically grows out of a grievance—real or imaginary—and the men are usually acting on emotional rather than logical motives.

2. Even though, as a result of social pressure, all the workers in a plant or industry walk out, such a strike seldom has the active support of all involved; often the leaders do not even have a majority backing. A wildcat strike, on the other hand, must have nearly unanimous support of those walking out, since there is no organization to enforce such an act.

3. The strikers in an economic strike, particularly where industry-wide bargaining is involved, may feel no bitterness towards the plant management. But a

wildcat strike shows by its very existence that the workers do not trust management to handle their grievance fairly.

4. Finally, when a plant-wide strike is settled, the issues are usually settled for the life of the contract. But in many cases, the real issues are not apparent in a wildcat strike. Worker dissatisfaction may result from a dozen real or imaginary grievances, one of which finally brings matters to a head in the form of a walk-out. This one matter may be settled satisfactorily, but unless the underlying situation is ironed out, continued bad feeling will persist and will surely result in decreased productivity, increased absenteeism and turnover, and eventually another wildcat strike.

A wildcat strike should be regarded as a danger signal. There is trouble in your organization if your workers spontaneously walk off the job. Management should not stop with settlement of the strike but should investigate to find the real causes underlying it.

Usually wildcat strikes can be prevented by an adequate grievance program. In any supervised group, there is bound to be friction from time to time. The grievance procedure gives a man or group a chance to blow off steam. If no such opportunity is available, the importance of small slights or disagreements often becomes greatly exaggerated in the workers' minds. The very existence of a grievance channel takes the sting out of many situations which actually do not warrant its use. And, of course, the complaints received often acquaint top management with unhealthy situations which might otherwise be concealed from them. If you have had any wildcat strikes you should check your grievance procedure very carefully. Here are a few points to look for.

1. *Is the grievance procedure available to all your employees?* Although the courts have held that if a union is certified by the N.L.R.B. as bargaining agent it must represent all employees whether they are union members or not, in actual practice the contract grievance channel in many plants is not available to non-union members. If this is the case, you should set up such a procedure for them. Larger firms often appoint a responsible person to represent the individual in place of the steward provided by the union, so as to give uniform treatment throughout the plant. However, it is advisable, and in some cases compulsory, to ask the union to sit in, since grievances sometimes touch on plant-wide policy and the union has a right to participate in the settlement of such cases. Employers should familiarize themselves with the court's opinion in Hughes Tool Co. vs. NLRB (CCA-5, 147 F (2d) 69) which sets forth the rights of employees and unions in this respect. Low ranking supervisors and office workers are other groups whose need for grievance machinery is often overlooked. A complaint channel should be available to all persons who are not in direct touch with the top management.

2. *Do your employees know about the procedure?* If your grievance plan is to perform its task of providing an outlet for employee dissatisfaction, it must be publicized. You cannot rely on the union for this. Some employers hesitate to publicize the

procedure because "we don't want our employees to start looking for grievances." This is absurd—employees will have plenty of grievances in the best managed plant. Management is just hiding its head in the sand if it doesn't listen to them. If a flood of grievances results from the publicity, you are probably on the way to a solution of your wildcat strike problem.

In smaller plants, managers sometimes scorn formal grievance procedure saying, "My door is always open." Here again, the matter of publicity is important. Most employees will hesitate to walk into the boss's office unless they have been repeatedly and emphatically assured that they will be welcome. And remember also that some plants which were small before the war may need to set up new channels in view of recent expansion.

3. *Are grievances settled promptly?* Workers soon get disgusted if their complaints aren't considered important enough to demand management's attention. Your grievance procedure should require prompt attention by both company and employee representatives at every step or workers will consider the grievance system a fraud.

4. *Does your supervision observe the spirit of the plan?* Foremen can effectively discourage employees from submitting complaints. This is probably the cause of wildcat strikes and other signs of unrest in a department which reports few grievances.

5. *Does the Union represent your workers adequately?* Occasionally a union which has won a closed shop becomes concerned with the larger aspect of collective bargaining so that it becomes inaccessible to the individual worker or to certain classes or workers. Some employers have even encouraged this situation because they desired to undermine the union. Such an attitude is certainly shortsighted. Even though management has signed a closed shop contract at the point of the strike gun, workers who are forced to join a poor union will direct their resentment against the company. Surely it is better to build up the union than alienate your workers. If you don't want to call the union on the carpet and insist that they take better care of your workers, it might be advisable to establish another grievance channel such as was suggested for non-union employees.

If management establishes an adequate grievance procedure it has a right to protection from wildcat strikes. The signing of a union contract calling for settlement of grievances does not necessarily provide an adequate procedure however, as has been demonstrated above. If the grievance program does not give workers satisfaction penalties, whether imposed by union or management will not stop wildcat strikes but will only lead to bitterness and antagonism. Such feelings among the workers will certainly harm the company in many ways.

On the other hand, it seems probable that wildcat strikes can be prevented without imposing penalties if the workers are sold on the idea that management will give fair and prompt treatment to their complaints.

A well designed application blank provides essential information in hiring, but for best results the design should be varied for different kinds of jobs.

The Application Blank *in* Employee Selection

By M. Adele Mitzel, Director Institute for Vocational Development, Baltimore, Maryland

The basic problem of any personnel manager is how to select, from a group of people, the ONE person Best qualified for the position. One of the ways this is done is to hire a person after a rudimentary screening and try him out on the job. If he does not fit, he is either released or transferred to other positions with the hope that eventually the right place will be found for him.

Personnel managers have become increasingly aware of the cost involved in such hiring, training, discharging or transferring procedures and in the general employee dissatisfaction which results. Scientific selection methods have now been devised which are used to increase the probability that the applicant selected will qualify for the position available by setting up some simple performance standards which will reveal the strengths and weaknesses of each individual.

One of the ways most often used for predicting an individual's fitness for a job is to appraise his education and experience background by means of an application blank. Much has been written on how subject to error any such prediction is; but as a part of a complete program of selection, good application blanks play an important part. Such blanks should be *The* means of *Comparing* an applicant's background with the elements involved in the NEW position for which he is being considered.

Too often the information desired on application blanks is so meagre and so general that it can be applied to any organization without being of value to a particular organization. An application blank is really a biographical information blank and should contain questions built around those elements of education and, particularly experience, which are indicative of success on jobs relating to your organization.

The personal qualifications your jobs require should be clearly reflected in the questions asked on your application blanks. This implies that your organization has made a careful evaluation of the factors pertinent to success on the positions being considered.

Not all candidates for the positions available are of the same calibre. Screening out the best applicants is the personnel manager's problem. As the labor market grows and more applicants become available he faces an increasingly difficult task. To achieve his objective he will need the best selection devices that can be developed.

Every personnel manager recognizes the existence of wide variations between applicants. It is each manager's responsibility to obtain data on prospective employees in such a manner that these wide variations between applicants can be *objectively* evaluated in the light of job requirements; and so that such information obtained can be of continuing value to the company in revealing the strongest and weakest links in the organization for promotional and other procedures. Personnel managers must have facts and not surmises—facts that can be analyzed for making intelligent placements and promotions. It is only from a complete application blank that such facts can be obtained.

In order to develop a scientific application blank several points should be considered:

1. All facts of an applicant's past experience directly applicable to your organization must be included in the blank. For example: An applicant applying for a selling position may list only his previous selling experience. Your company, however, has found through its personnel studies that those salespeople with a certain amount of clerical experience are the most successful. Therefore the applicant should be questioned about his clerical experience. It should not be left to the applicant's judgment as to which facts are relevant to the job requirements and which are not. They must be clearly asked for in the application blank. Those organizations which include a great variety of jobs have not found it practical to include all factors pertinent to all jobs in one blank. Such companies use supplementary biographical information blanks for individual jobs.
2. Sufficient space should be allowed the applicant to record his significant biographical facts. Wherever possible the phrasing required should be provided so that there will be little opportunity for ambiguity in the applicant's answers or little chance for an applicant fluent with words to compensate for his lack of experience. How often have you known the person "responsible for all the advertising of a company" to be the one who mailed to local clients advertising material forwarded from the main office?
3. The data obtained from the application blanks should permit comparison of one applicant with another; so that applicants can be ranked according to how their education and experience qualify them for your jobs.
4. The data obtained should be so objective that two or more interviewers will agree on their rating of an applicant's qualifications. It should not be possible for one reviewer to say, "Well, this man's background looks good to me"; and for another to say of the same man "This man has not had enough supervisory experience for the job." The interviewer should not be required to give an over-all

subjective impression of the applicant. The application blank should be so arranged that an objective measure of the applicant's background will be obtained.

5. There are two suggested ways that these last two points can be accomplished. The interviewers can have a set of standards by which each blank is reviewed or the blanks can be so arranged that one final score can be obtained from the whole set of questions as in a test.

To summarize, the answers to the questions on application blanks can be of most value to a company and the personnel manager when the blanks are devised so as to elicit from the applicant ALL the pertinent facts of his background; and so arranged that the information obtained can be objectively evaluated.

Many a good applicant has been lost to a company because in describing his education and experience he miscalculated which aspects of it would be of most value to the company. Therefore, such decisions should not be left to the applicant.

Experienced personnel managers agree that a carefully planned application blank is necessary to insure absolute fairness to the applicant and provide full information to the employer.

Sales interviewing is a difficult problem. This is a report of the methods used by 23 large companies for whom good selection of salesmen is important.

Interviewing Methods Used in the Selection of Salesmen

By Robert D. Henderson, Bucknell Univ. and Dale W. Hoover, Pennsylvania Military College

Introduction

Industry is constantly seeking a solution of personnel problems through scientific research and measurement. Many progressive organizations today have adopted job rating for the establishment of wage rates, employment tests as an aid in the selection of new workers and merit rating in the determination of employee efficiency on the job.

In the development of these new and important methods, however, the potentiality of the interview as an instrument of measurement appears to be largely overlooked. Yet this basic tool represents the core of personnel procedures and, as such, will always play an important part in the selection and upgrading of salesmen.

Very few salesmen are hired without an interview, in even the smallest organizations. Organizations too small even to use a formal application blank, or any of the newer methods, rely on the interview as the basic mode of selection. The few exceptions may be found in the field of house-to-house men who are secured by advertisements, and after applying by mail, are sent a simple instruction book and sample kit of products.

It has been said (paraphrasing Purcell*) that interviews as a basis of selection have continued through the centuries in one form or another including the slave markets of the Roman Empire, the guilds and factories of the Industrial Revolution of England, and the more recent "Bull Pen" method of employment by which the worker is hired by merely calling out to him at the gate to come in and go to work.

*See Dale B. Purcell, "Hiring Interviews", Personnel Journal, Vol. 22, No. 7, pp. 263–267 for a very interesting and informative article. It provides a great deal of background information for this study and acknowledgement is made of such use.

Nature and Purpose of Study

No sales organization is better than the men who compose it. Unfortunately some persons are unsuited by temperment for sales work, or they lack incentive to produce. No amount of training or field supervision will make them successful. This group also tends to be unstable. Therefore the first step in building or rehabilitating a good sales organization should be to institute sound selection procedures.

This report is a survey of some of the available information used in the scientific approach to the task of interviewing prospective salesmen.

The author contacted thirty (30) representative companies as a means of determining the most recent methods employed in interviewing.

It has been asserted that interviewing has been a rather loose-knit affair, appearing as a fad with little value for successful selection of salesmen. While this survey and report cannot definitely establish the truth or falseness of this assertion, it does indicate a discrepancy and depicts in small measure the latest trends and developments.

The Interview

(A) Purpose—Interviews have a dual purpose, that of determining to what extent the applicant is fitted for the job and how the job fits the man. For this reason the applicant has a right to be given full and accurate information on the nature of the work, the competitive position of the company, its policies which affect his work, and the opportunity for advancement should he be successful in his first task.

(B) Weaknesses—As stated before; until recently, the interview has not been regarded as a truly scientific selection instrument. In many cases, the interviewer is at a loss to know just what questions to ask and the proper order to ask them. He fumbles and hesitates and gives the interviewee a poor impression. This is true of some men sent to colleges and universities to interview graduating seniors. It is interesting to get student reaction to methods and procedures employed by various interviewers. Student opinions seem to be in agreement on the success or failure of an interviewer in handling his assignment.

It is true that, once recorded, the same information will be subject to wide interpretation by different individuals. This emphasizes the need of multiple interviewing and consideration, in fairness to all concerned. It appears that too much dependence is placed on one man in the typical interview. Human error readily enters and many mistakes could be avoided if joint interviewing were more common. It would be interesting to trace the later records of those turned down by a single interviewer.

(C) Reasons for a planned interview—A carefully worked out and planned interview benefits all concerned. It results in a saving of time, more efficient inter-

viewing and better selection or rejection, as the case may be. An orderly list of questions should be provided for recording answers. A definite sequence should be followed and each part should be a definite unit in the over-all picture which attempts to secure an impartial, accurate and informative opinion of the applicant.

(D) The Interviewer's Qualifications, Techniques and Procedures—It is well known that the interviewer should give as well as secure information and at the same time, he should make a friend. The interviewer should be sufficiently educated in the fields for which he is interviewing or, if not, be supplied with basic facts to guide him in carrying discussion. A rare and seldom found combination of abilities, traits and characteristics is necessary for maximum success in interviewing.

Several large companies require the interviewer to rate each applicant on many different factors; namely, previous experience, training, manner and appearance, sociability, maturity, leadership capacity, etc. The interviewer's findings are recorded on various types of forms such as rating scales, judgment blanks, standardized interview forms, and preliminary blanks and evaluation forms.

Often the interviewer, after recording pertinent information, follows up with an overall summary of the interview which indicates clearly the extent to which the applicant's experience and total composite of traits and abilities qualify him for the job in question. A rating score or weight is assigned to the various factors and summarized for quick reference.

The meeting of the interviewer and the prospective salesman will test the interviewer's tact and skill in handling people, for this is a crucial moment which may result in the interview being a success or failure. Many conferences have been destined to failure due to the interviewer's lack of polish. The candidate gives the impression of being under nervous strain and in turn becomes a temporary clam-like introvert or a parrot-like extrovert. At the start of the interview the interviewer's hand shake should have a friendly firmness; his voice well-modulated and his words distinctly articulated. At the same time he should present an attitude of kindness and sincerity. This results in the applicant's feeling that the interviewer really wants to give him a job.

"This feeling should be given the candidate, for most interviews are milestones in the life of the salesman. Many result in the candidate's happiness or sadness, success or even failure. With this in mind, the applicant should be seated comfortably in a room where there is absolute privacy and little distraction.

"After this brief preliminary meeting of the candidate, the interviewer should be a psycho-analyst to the degree of knowing at the moment whether the prospective employee is nervous, frightened or distracted in any other way, thus causing the interview to be difficult. It is important that the interviewer through some remark, movement, or other means removes this tenseness. At other times, it may be necessary to continue the conversation on some mutually known subject until the psychological moment arrives in which the interviewer can determine if the subject is qualified for the job applied for; or if not, just what he is qualified to do."*

*Ibid., p. 264.

Before the interviewer is prepared to meet the requirements of his position he must have a knowledge of the salesman's position he is trying to fill. He must know and understand the factors confronting the salesmen on the job, and must know and understand corporation policies as well. "To enable him to make an excellent selection, he must be able to ascertain from the interview whether the applicant meets the criteria as set up in the job analysis.

"In general there appear to be three distinct groups in which all applicants fall. First, there are those who are conspicuously well-qualified for the job they seek, and if any opening exists for this particular type of applicant, the interviewer has no problem. Second, there are those applicants who are so obviously unqualified that little or no judgment is required in disposing of their cases. The most care and interviewing ability is needed to handle the third and largest group of applicants, who, in the light of training and experience, may or may not be satisfactory employees in the position for which they are applying. These are commonly referred to as border-line cases, and some small point or factor may be the means of the applicant being hired or not."*

(E) Sequence of the Interview—Previously it was mentioned that the interviewer must have a standardized or patterned plan for interviewing. This does not mean that each topic or factor must be considered separately or, in fact, in the order listed. It is believed (paraphrasing "Employee Evaluation Manual for Interviewers")[1] that the *master of ceremonies technique* might be the best plan and approach. By this method the interviewer encourages the applicant to talk about his background and experience, interrupting only to obtain more specific information or to direct his discourse into channels which lend sequence to his talk, in accordance with the general plan of the interviewer's guide. It is believed that the applicants will respond to this approach because it does not immediately put them "on the spot" as the stilted question and answer method so often does. "To question an individual on several items in succession dealing with such matters as emotional stability, for instance, would only serve to make the unstable person suspicious and thereby destroy all chance of obtaining this essential information. Rather it would be better to accumulate a basis for appraisal of these personality factors as the individual relates various phases of his background experience. For the most part, the factors listed for investigation by leading companies can be classified under three major headings:

1. Work Experience
2. Training and Education
3. Personal History"[2]

(F) Recording Information—People writing in the fields of sales management and selection of salesmen differ as to whether information should be recorded during

* Ibid., p. 266.

[1] See *Employee Evaluation Manual for Interviewers*, Fear & Jordan, The Psychological Corporation, New York.

[2] Ibid.

the interview in the presence of the applicant. The writer believes the interviewer should not hesitate to record information of a purely objective nature. For example, when the applicant supplements information on the application blank with new facts about work history or training, it is perfectly all right to note this information on the application form or evaluation sheet under the appropriate heading. Relatively unimportant facts, such as those relating to his personal life, and information of any kind which is somewhat unfavorable, perhaps should not be recorded until the interview has been terminated.

Some organizations provide small boxes which are placed before items on the rating scale. A check √ or cross X might indicate the interviewer's reaction to the applicant's ability to satisfy any one particular requirement. This would serve to assist the interviewer in writing up each case at the conclusion of the interview. It will also minimize the amount of writing that will have to be done under each heading. An interview summary is a very important part of any judgment blank, and provides a quick reference where time is an important factor. The "Personnel Interview Report" used by E. I. DuPont de Nemours & Co., one of the corporations contacted in this survey, is one of the finest forms of this kind the author has examined. This interview report gives a graphic picture as a summary of the applicant and assigns a definite weight to such factors as academic standing, appearance, suitability, and extra-curricular activity.

Interpretation of Evaluation Forms, Rating Scales etc.

Limitations. The information compiled in this report does not represent anything new about the interviewing procedure in the selection of salesmen. The writer simply tried to gather together some common sense principles which he believes should be considered in determining the applicant's fitness for the position. As stated previously, no rating scale, evaluation form, or judgment blank, however devised, will provide the best solution to the problem of selection; but it is believed that these tools if carefully prepared will serve as a valuable aid, especially when used together with such factors as tests and perhaps even clinical interviews performed by the trained psychologist. It is quite obvious, that most interviewers do not have professional training to conduct these latter items. Whether the interviewer's guide be any one of the above mentioned forms, or even the weighted application blank, it is believed that if such a device is employed it will improve many present methods since it does consider the whole individual in his fitness for a job, and provides a valuable aid in successful selection, assignment and upgrading.

Brief Survey of Information Received from Representative Companies

The author contacted thirty companies requesting information on the techniques and procedures used in selecting salesmen and received twenty-seven replies. Three types of selection techniques appear to be used:

1. The weighted application blank or personal history standards, such as the judgment blank, evaluation form, and rating scale.
2. Psychological tests, including intelligence, personality inventory, and vocational interest.
3. The patterned, planned or standardized interview and the Interviewer's Guide.

There is no standaridzed plan used by all industries. However, the methods employed by all seek the same common goal which is successful selection.

Of the companies sending information, the techniques and procedures employed by E. I. DuPont, National Cash Register Co., Northwestern Mutual Life Insurance, International Business Machine Co., and Sears, Roebuck & Co., are by far the most comprehensive.

The majority of the cooperating corporations were generous with their time and efforts in attempting to make this study of value by picturing the current situation existing in their respective interviewing programs.

It is felt some selected comments taken from letters which accompanied various forms submitted by the different firms would be of interest.

The manager of the sales training department of a large business machine company said: "All applicants are interviewed at least three times by three different individuals. The interview guide and the information on the application are used to guide the interviewer in questioning the applicant."

The employment manager of one of the major building equipment firms wrote: "You may be interested in the interviewer's guide which we have prepared fundamentally for the use of our sales office personnel. This is used where very few interviews are conducted throughout the year, by branch or district members who in most cases are quite inexperienced in interviewing methods and techniques. This guide supplements the completed application and does not circumscribe the interviewer's performance, but rather assists him in his evaluation."

The personnel department of a leading rubber company stated: "I am enclosing the Interviewing Guide for Salesmen which is a form used by our District Sales Offices and Retail Stores to rate the applicant for a sales position after his interview. Each company representative who interviews the applicant must fill out one of these forms after the interview."

The personnel director of one of the leading business machine corporations commented as follows: "In reply to your letter, we do not use any rating scales or judgement blanks during our interviews. I am attaching one of our application blanks and it will be noted that the interviewer has a place to note his comments regarding the interview with each applicant. This tends to keep comments from becoming mechanical and we are given an evaluation of each applicant in a brief summary comment."

An assistant director of agencies for a major insurance company informed us that: "I have enclosed copies of our own company rating chart, judgment blank, and appraisal interview form . . . which we use to present a career in life underwriting with the . . . .

"Our method of inducting new men into our business is rather definite. Most of them are recommended to us by our present organization. We feel this to be the finest source of new representatives. The second best source are selected centers of influence who may be professional men, bankers, educators, etc. Once the prospective agent has been nominated by the center of influence, we arrange an interview. Before we discuss the life insurance business, we rate our prospective agent by using our own company charts, as well as the Aptitude Index, devised by the Agency Management Association, and in some cases the Steward Test, and the Stiong Vocational Interest Test. Seldom are all three of these rating methods used, but in practically every case one is used and in many instances two. I have enclosed copies of them for you to review.

"If a proposed recruit rates A or B on the Aptitude Index or scores well on the Strong or Steward Tests, we are ready to consider his application and to go into a detailed picture of the life insurance business and the advantage of representing the . . . Co. If we are satisfied we have a good man, we make it a point to interview his references, talk to his wife and get a credit report. If all these show up well, we ask several of our own agents to interview him and send him to three selected business men who are friends of ours in the community. We ask these individuals to appraise the prospective agent in terms of a new life insurance agent calling upon them.

"We feel that one of the most important phases of our program is the selection of new agents and therefore take considerable time and patience to do all we can to make certain that we have a recruit with better than average chance to succeed."

The personnel department of a large mail-order house wrote: "We are in the process of developing a program of tests which will be used for every person in a supervisory capacity."

The employee relations section of one of the largest building supply and equipment corporations said: "The writer has reviewed the forms employed in this office and at this time can only submit the attached Interview Evaluation Form. This form is not kept in evidence during the interview and is not used for first or screening interviews. However, it makes a valuable addition to our application form at later dates when the application is reviewed with respect to particular openings. It was our idea to set up a form that would call for a minimum of writing on the part of the interviewer."

The personnel manager of a large aircraft manufacturing company replied: "Please be advised that in connection with our Employment Program, a very complete screening is conducted by experienced interviewers but we do not make use of rating scales or judgment blanks."

Conclusion

The interviewer is very important in the field of selection. Industry is growing more aware of the need for definite training programs for supervisory and administrative personnel. Many companies are introducing, re-organizing, and extending

CHECK SHEET ON INFORMATION RECEIVED IN SURVEY

	Techniques Applied in the Interviewing Process													Evaluation Factor Considered during the Interview																							
	No Interpretation Record On Rating Scale, etc.	Do Use Rating Scales, Judgment Blanks, etc.	Do Not Use Rating Scales, Judgment Blanks	In Process of Reorganization Selection Tests	Use Preliminary Application Blank	Have Preliminary Personal Interview	Use Formal Application Blank	Have Formal Interview With Applicant	Number of Interviews Before Employed	Use Employment Manual	Use Interviewer's Guide	Aptitude and Intelligence Test	Interviewed By	Physical Examination Required	Considered: Previous Experience	Manner & Appearance	Education & Training	Sociability and Teamwork	Emotional Stability	Maturity	Knowledge of Product	Leadership Capacity	Family Background	Financial Situation	Domestic Status	Health	Attitude to Position (Appreciative)	Initiative	Mental Ability	Military Record	Personal History By Outside Firm	Personality	References Checked	Age	Height & Weight	College Degree Preferred	Final Approval By
A leading business machine firm		✓			✓	✓	✓	✓	3	✓	✓	✓	Branch Mgr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	21 to 35	Male	Bus.	Branch or Division Mgr.
An important building supply corporation		✓			✓	✓	✓	✓	2		✓		Branch and Division Managers		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	Bus.	Branch or Division Mgr.
A large meat packing company		✓					✓	✓	1		✓		Personnel Officer			✓	✓	✓	✓	✓	✓	✓	✓		✓							✓	✓				Branch or Dept. Mgr.
One of the leading chemical concerns		✓			✓	✓	✓	✓	3		✓		Branch and Division Managers		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	Chem.	Div. Mgr.
A major tire corporation		✓			✓	✓	✓	✓	2		✓		District Manager		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓	✓			[illegible]	Branch or Div. Mgr.
One of the largest camera organizations			✓		✓	✓	✓	✓	2				Personnel Officer		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓	✓	✓	✓	B.S.	Gen. Mgr. Dept. Mgr.
An important business machine company			✓		✓			✓	1				Branch and Dept Managers		✓		✓								✓					✓		✓	✓	✓	✓		Dept. or Gen. Mgr.
One of the major life insurance firms		✓			✓	✓	✓	✓	2	✓	✓	✓	Director of Agencies		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		General Manager or Employment Director
A large retail store			✓		✓			✓	1	✓			Div. Pers. Director		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		Indv. Store Mgr
One of the leading mail order houses			✓		✓			✓	1	✓		✓	Indv. Store Mgr		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓	✓				Indv. Store Mgr
A well-known typewriter company		✓			✓	✓	✓	✓	2	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓		
One of the foremost building firms		✓			✓	✓			1	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓				
A significant producer of farm machinery		✓		✓						✓																											
A large aircraft manufacturer	✓		✓																																		
One of the principal automobile companies	✓			✓		✓																															
An outstanding glass firm	✓												Warehouse Mgr.																								Warehouse or Retail Store Mgr.

A notable cereal producer			√			√	Branch Office Mgr.			
One of the prominent manufacturers of woolen goods	√									
A leading soap company	√		√							
One of the large bakery associations	√		√							
A major food corporation	√	√								
An important canned goods manufacturer	√		√							
One of the prominent soap firms	√		√	√	√		Field supvr	√	√	Div. Mgr. & Field Supvr.

their selection and training programs. The writer believes that in the future more and more organizations will demand higher skilled, better trained and more highly selected personnel for the many sales positions.

From the information and material obtained in this survey there appears to be a definite trend by employers, toward seeking a more realistic and scientific approach to successful selection of salesmen by improved interviewing techniques.

In the final analysis, the successful application of any method of selection rests upon training, experience and skill of the interviewer. Suggestions for obtaining significant information relative to the various areas of the individual's background are indicated on the "check-off-sheet" which appears on pp. 16–17.

The stresses of the post-war period call for better supervisors. Here is case material for supervisors in training.

The Post-war Supervisor: Detective in Human Relations

By J. E. Eitington, Veterans Administration

Prior to the war most managers were apt to classify and compare supervisors in terms of such criteria as their ability to follow instructions, to get the work out, to reduce waste, to minimize accidents, etc. In general, the evaluation was based primarily upon material evidences of success.

But the war-time problems resulting from acute labor shortages demonstrated to management that the ideal foremen and supervisors were those who could achieve production objectives not only through reliance upon their technical "know-how" but also through utilization of their skills in employee relations.

Management has thus come to realize that there are, basically, three types of supervisors:

(1) Those who are perched on a volcanic crater and assume that a dormant Vesuvius will continually remain so,

(2) Those who endeavor to take remedial action *after* the lava has begun to flow,

(3) Those who possess and utilize their sixth or supervisory sense to detect an on-the-job volcano *prior* to its eruption.

Ideally all supervisors and foremen should fall into the last category. But the sobering statistics concerning turnover, absenteeism, tardiness, waste, accidents, grievance cases, etc. too frequently indicate that at best most of our supervisors could be placed in the second class, and few could qualify for consideration to the third.

It may be assumed that those in the first group should probably not be permitted to hold a supervisory post. Management thus has the job of stimulating supervisors of the second class to meet the requirements of the third.

For many supervisors this will require a complete revolution in their thinking; for traditionally, even the "good" supervisor has been alert to spot only the apparent malcontents and the more obvious seething situations. This means that Bill Jones, foreman, must arrive for work each morning armed with the dual thought that (1) the ostensibly very "normal" employee is unpredictable; and (2) that although everything is calm on the surface, a human depth charge may be suddenly detonated

to belie that external serenity. For while a rookie policeman assigned to a beat may recognize an unlawful breaking-in and entering if the front door of a shop is ajar, it requires an officer of great insight and experience to sense a burglary when such obvious indications are lacking. Similarly, to ferret out the basic causes and sources of the employee's irritation, dissatisfaction, non-cooperativeness, anxiety, lowered or faulty production, requires the supervisor to function as a "job relations sleuth." He should remember that "meaningless behavior" is only an abstract idea rather than an actual fact.

Many employee problems develop as a result of circumstances over which the supervisor actually has little or no control. These are concerned with such conditions as family and marital problems, worker or family illness, financial difficulties and distracting outside activities. In like fashion *on the job* conditions, such as hours and other conditions of work, various company policies and practices, nature of the work, are factors with which the supervisor must cope but which he can at the most only mitigate. Frequently a job relations problem may develop because of the interactions of one of these groups of factors on the other.

Despite the inability of the supervisor to furnish a solution to situations which he cannot fully control, it is still his responsibility to function in the role of "human relations detective." This means as a minimum course of action, locating, identifying, describing, reporting or referring the on-the-job malady to the proper authority.

But foremost in the supervisor's quest for actual and potential causes of employee job-dissatisfaction is *himself*. This factor is or can become controllable. The intelligent supervisor should constantly appraise his attitude toward employees and his on-the-job relations with them in terms of this question: "What makes *me* an irritant to them?" The ideal supervisor is one who takes to heart the admonition: "Know thyself."

Certain areas of supervisory activity are always susceptible to supervisor-employee friction. Several of these are cited hereafter with illustrative examples of the supervisor's failure to detect bad morale situations resulting from his own high "irritant quotient."

1. *Favoritism in work assignments:* Mr. A had been an Army Colonel. His present civilian duties required him to be away from the office for 1 to 3 hours each day. His absence frequently left his stenographer with little to do. Mr. A told her she was not to work for anyone else while he was away. She thus made no attempt to appear busy in these periods. Actually she was a fast worker, completing her work so rapidly that some of her idle time was of her own doing. The other girls resented both her idleness and her unwillingness to assist them during peak periods. Morale was greatly affected because of this situation. When the problem was presented to Mr. A he expressed surprise at its existence since no one in the Army had ever objected to the manner in which *his* girl was used. Increasing her activity by assigning more responsible tasks and by having her assist the other girls whenever practicable soon solved the problem.

2. *Forcing personal dislikes upon others:* Tom was a hard working supervisor and very attentive to his work. Although shop rules permitted "going for coffee" morning and afternoon, he personally did not avail himself of the privilege. It was noted by his subordinates that although he never commented directly about a late return from "coffee," his attitude towards a tardy subordinate was always cold and even sarcastic for several days thereafter. These facts were corroborated in a number of exit interviews. Tom was then called in by his supervisor who presented the complaints to him. In the discussion it was brought out that Tom neither drank coffee nor smoked. A re-explanation to Tom as to the purpose of the break plus the realization that his intolerance of this type of tardiness was due to his personal abstinence, served to eliminate this hidden source of friction. It was also suggested to him that he, too, take the break and drink milk or other beverages.

3. *Failure to admit personal error:* Henderson was a construction foreman. Of late his estimates for various plant construction projects of a remodelling nature were noticeably off as to manhours and amount and cost of materials. Although during the war close estimates were not important since the plant had operated on a cost-plus-fixed-fee basis, the situation had now changed. When certain estimates prepared by Henderson under the new, more exact plan proved to be somewhat conservative, he immediately criticized his sub-foremen for presenting faulty data. Actually, Henderson was responsible for the analysis as well as for the consolidation of the information. For fear of further reprisals, the sub-foremen furnished more liberal figures, which served to aggravate the general situation. Finally, after several meetings between Henderson and the plant superintendent the former recognized that his subordinate's reactions to his "passing the buck" had resulted in disrespect, loss of confidence and even a desire "to get even" with him.

4. *Inability to reprimand and to instruct:* Assembly foreman Josephine Baker was in charge of some 30 young girls on a "belt" operation. Due to the humdrum nature of the work and a relatively low hourly wage rate, the turnover was expectedly high. Josephine got along well with the more rapid employees who had been there for some time and who knew that she "meant" well when reprimanding and breaking-in the constant stream of newer and slower assemblers. But the new employees felt no desire to learn that she meant well and the resultant augmented turnover was seriously hampering unit production. Josephine's superiors, looking into the case, soon learned that she had been a WAC drill and barracks sergeant and was thus attempting to run the group like a platoon of recruits in basic training. As a consequence Josephine was reassigned to a non-supervisory position.

5. *Failure to establish a good example:* In a public service office of some ten clerks, adjusters and complaint-takers, it was noted that although the work-day officially began at 9:00 a.m. only one or two employees were available for customer assistance at that hour. The others would seat themselves at their desks as late as 9:20 a.m. Anonymous memoranda from irked employees in near-by offices finally resulted in

an investigation of unit work habits. This check disclosed that the unit head would arrive at 8:45 a.m., but would invariably spend the next thirty or forty-five minutes in completing his morning paper, discussing non-office business with employees in other units, visiting the wash room, etc. His subordinates had, of course, merely followed suit.

Numerous other causes of on-the-job friction may be laid to the unthinking supervisor; failure to explain forthcoming changes which affect the employee; failure to ask for suggestions and to maintain an open ear to complaints; failure to "go to bat" for a subordinate when he is in the right; failure to control temper; magnifying the importance of small infractions of rules; playing favorites in promotions and vacations; holding back a qualified employee from securing a better job for fear of losing him; jumping to conclusions on the basis of incomplete information; and generally failing to "do unto others as you would have them do unto you."

In summary, it may be said that the genuine post-war supervisor is one who is not only a production man but also a detective armed with insight into human motivations and individual idiosyncrasies. He not only seeks to learn why some employees leave their jobs or are unhappy in them, but also why others stay and are content.

A series of quarterly letters from the President to all employees has proven an important aid to good industrial relations.

A Letter from the President to All Employees

By W. H. Wheeler, Jr., Pres., Pitney-Bowes, Inc.

Quarterly Letter

TO ALL EMPLOYEES:

The job we have all done together since V-J Day is now beginning to show. Each month brings good records.

In the average month of the last prewar year, we shipped 1,230 machines and meters. In December of '46 we shipped 2,846 machines and meters; in January of '47 it was 3,405 and in February, 2,930.

The backlog of orders secured since V-J Day by record sales continues to tax our capacity to the limit. Our service organization has never before functioned so efficiently in getting equipment promptly installed and increasing our monthly billings.

The quality of our products is better than ever before. And, though our costs are still very much higher than prewar, they are beginning to come down as our efficiency improves.

Profits. Attached is a copy of the income statement we are mailing today to stockholders. It shows net profits, after taxes, for the first nine months of our financial year amounting to $611,500. This represents 9 percent net profit on gross income and earnings of 67 cents per share of stock.

These *nine months'* earnings are about as good as our best *full year* before the war. As a more direct comparison: we had $440,662 of profit for the nine months ended December 31, 1941—our last normal year. This 1941 profit was 11 percent on gross income and represented 49 cents a share of stock.

As you know, our net profits during the war years dropped somewhat, so that this is the first real improvement we have shown in nearly ten years. It is gratifying and encouraging. However, we still have some way to go before our earnings are high enough to do three necessary things: (1) make up for their lower buying power brought about by postwar inflation, (2) make a really good return on the much larger volume of business we are doing, and (3) make a similarly good return on the increased capital invested in the business since the war (described later).

Dividends. As you have been advised, the Directors, at their January meeting, increased the quarterly wage-and-salary dividend to $7\frac{3}{4}\%$. At the same time, they increased the stockholders' quarterly dividend to 15¢. We hope we may earn enough to justify the payment of extra dividends to stockholders and employees at the close of the year, as we did last year.

The additional capital we must have in order to run our expanding business will obviously affect the profit-sharing between stockholders and employees, simply because there will be more stockholders to pay for our use of their money.

Not only that, but they will expect a *good* return—good pay—for risking their savings with us. However, we feel that our net earnings can be increased enough to justify the new capital; and we shall keep to our general policy of paying wage-and-salary dividends whenever our earnings are sufficient to pay anything more than just a fair return on all capital invested.

New Capital. As bulletin board notices have informed you, the growth of the business has required that we again seek new capital.

Before the war, our stockholders had invested a total of $3,523,000 in the business. Of this sum, $1,840,000 came to us from people and institutions who purchased our stock, including many Pitney-Bowes employees, and about $1,683,000 of it was saved out of our earnings over the years ("surplus")—money belonging to the stockholders but not paid out to them in dividends because it was needed in the business to finance our growth.

Since the war, we have obtained $2,000,000 from the sale of bonds, and now we have need for about $2,250,000 more. This makes a total of $4,250,000 of new capital, an increase of 121% since before the war. At the same time, our employment has increased 83% from a prewar 1,215 to a present 2,223—an all-time record payroll. It well illustrates the need for capital to make more and better jobs in a growing business.

To put it another way: the amount of capital invested in each employee's job before the war was $2,900. After issuance of new preferred stock, there will be $3,550 invested in each Pitney-Bowes job.

That is the stake that "Capital" has in each of us—and the stake that each of us has in "Capital".

Mechanics of the Financing. The "convertible preferred stock" referred to in the notice, and which we propose to issue if stockholders approve on March 31, is a type of stock which is entitled to dividends *before* the common stock and which does not have some of the risk which the common stock has.

"Convertible" simply means that whoever buys the preferred stock will have the right to "convert" or exchange it at any time into common stock at a price to be determined by the Directors before preferred stock is actually offered for sale. This is at a price usually somewhat above the existing market price of the common stock.

Thus, while the purchasers of the convertible preferred stock will enjoy a preferred position when it comes to earnings, with a reasonable guarantee of dividends

at an established rate, they will also have the right to give up their preferred position in order to share, at greater risk, any increased earnings. This is a very common method of financing today, economical for companies like ours whose record and future prospects are good.

Our present common stockholders will be given the first right to buy the new preferred stock. Whatever they do not buy, during a period of about two weeks, will be purchased from us by a group of investment bankers, or "underwriters", who in turn will sell it to the public.

PITNEY-BOWES, INC.
AND WHOLLY OWNED SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME
(Subject to Year-End Adjustment and Audit)

	Six Months Ended September 30, 1946	Three Months Ended December 31, 1946	Nine Months Ended December 31, 1946	Nine Months Ended December 31, 1941
Net sales, rental income, etc.	$4,007,978	$2,679,849	$6,687,827	$4,010,624
Deduct: Cost of product sold and expenses for selling, servicing and general administration	$3,147,840	$1,952,295	$5,100,135	$2,521,707
Provision for depreciation and amortization	156,954	126,302	283,256	445,140
Expenditures for development and research	129,516	56,730	186,246	118,115
Wage and salary dividends	132,668	107,722	240,390	—
	$3,566,978	$2,243,049	$5,810,027	$3,084,962
Profit from operations	$441,000	$436,800	$877,800	$925,662
Deduct:–Provision for Federal, State and foreign taxes	(157,600)	(158,700)	(316,300)	(485,000)
Add: Restoration of reserve for contingencies to offset portion of reconversion expense	50,000	—	50,000	—
Net Income	$333,400	$278,100	$611,500	$440,662

Before offering the stock, we must secure our stockholders' approval and we must register it with the Securities and Exchange Commission. The SEC, however, does not approve or disapprove the stock issue as a good or bad investment. They will merely satisfy themselves that we are placing on public record all the necessary information that public investors should have before deciding to risk their money with Pitney-Bowes.

All in all, it is quite a job. If any of you are interested in further details, we would be glad to send you all the material going to stockholders.

I thought you might be interested at least in this general outline, as it shows the

natural and profitable partnership of labor and capital—and in a way that is close to home. Neither can function without the other, and the healthy and profitable operation of a company like ours is a "must" for both.

General. I hope you have fully understood the recent bulletin on our compensation policy. I am glad to say that we are now operating under "Condition A", which means "Company prospering". While there are a number of details of administration still to work out, the new plan is well under way.

In another few weeks we shall have completed our plant expansion and renovation program, and I think we can all be proud of it. We are similarly renovating many of our field offices. I ask each and every one of you to help in every way possible to keep our shop and offices, machines, benches and desks in clean, neat, tiptop condition. It helps us all do our jobs more safely, efficiently and comfortably. It also makes a good impression on the public, our visitors and friends—and, most important, on ourselves.

Our own immediate prospects ahead seem bright. We are rapidly improving our delivery position. We are expanding our sales organization. New products are on the way.

Much of our future depends, of course, upon general conditions—at home and abroad. My recent European trip, as well as developments since, have convinced me that the well-being of the world is a responsibility which we must heavily share for reasons of our own self-interest, if for no other.

W. H. Wheeler, Jr.
President

Unless some of the young men hired today are chosen for their future value as executives, your business is likely to pass into incompetent hands some day.

Have You Taken Inventory of Personnel?

By George H. Colin, Cities Service Oil Company

Throughout this country the heads of businesses have just completed an inventory of the book assets of their business. Many of them are shortsighted enough to believe that the completion of this task has made available to them a full summary of every last asset of their business. In this they are wrong, for such an inventory omits altogether one of the greatest assets of any business,—its personnel,—its executives of today, and its leaders of tomorrow.

Unless a business executive makes a periodic examination and evaluation of the performance and potentialities of those who work under his direction, he has not taken full inventory of his business. The physical plant and equipment of a business have producing and profit-making capacity only as they are energetically and efficiently employed by those charged with the duty of directing their use. The alert business head will know whether his executives represent a full, 100% valuation on the personnel ledgers of his company, or whether, because of lack of intellectual capacity or physical energy, they are failing to fulfill their obligation to so direct the business operations in their charge as to realize the greatest possible economy and profit. Many executives who once performed their duties in unexceptionable fashion have lost grasp of their jobs, perhaps because of age or ill-health, or because the job has grown beyond their capacity to handle it, or perhaps because they have grown smug, complacent and slothful in the assurance given by their long tenure of position. Only a personnel inventory will bring these conditions to the attention of the business head. Only such an inventory will enable him to make the changes,—pensions, transfers, discharges, or perhaps only admonitions—which will be necessary for the good of the business.

Many business heads who appreciate the necessity of conducting such an inventory as to first-line executives have failed to perceive the necessity of making a similar evaluation of secondary or junior executives or subordinate personnel. The need of such appraisal is immediately apparent, however, when we consider that it is the policy of most businesses to fill vacancies by promotion within the ranks, and,

that, consequently, the junior executive of today will be the senior executive of tomorrow. Unless the young men of a business are intelligent, energetic and possessed of a capacity for executive development, that business will, in time, retrogress, for its direction will eventually pass, through the normal processes of seniority and promotion, to the hands of men who are not qualified to direct it.

Recognition of the fact that secondary executives are of great importance in the performance of their present jobs, and perhaps of even greater importance as the group out of which the future leading executives of a business will be drawn, leads us to consider the means whereby the business may be assured of an adequate inventory of potential executives. To attain this objective we must start at the beginning,—the initial hiring of the employee. We cannot expect to create broad-gauge senior executives from young men who are hired indiscriminately, and who are evaluated only in respect of their present qualification to fill the junior position for which they are being considered.

The young people to whom we consider giving employment should be weighed carefully as to intelligence, personality, and prior commercial or scholastic attainments. By considering these factors, we will be able to determine with fair assurance whether we are employing a lifetime "private" or a future "general". After employment is granted, encouragement in the form of promotion and salary increases should be given to those who satisfactorily discharge their duties and show promise of ability to move ahead to positions of larger responsibility. Here again, the value of the personnel inventory is demonstrated, for it is through such appraisal that these promising young employees are recognized and rewarded.

When a young man is made a junior executive, he is, in effect, informed by his employer that he has the "makings" of a senior executive. At this point, the employer may make or break the potential executive. After receiving his appointment as a junior executive, the young employee feels that he can accomplish any task,—surmount any obstacle. Has he not been tested in competition with his associates, and been given the accolade of recognition? He has innumerable ideas (some good,—many bad) and a great zest for his work. If his ideas are listened to, (and acted upon if worthwhile), if he is encouraged to submit ideas, if his superiors consult with him as though they value his opinion, if he is given financial recognition (for increased compensation is the clearest recognition of merit which can be given by an employer), the personality and self-confidence of the young executive will expand, and his value to his employer will increase. Should he be denied such recognition, his ego and self-confidence will become stunted for lack of nourishment, and he will not acquire the assurance and sense of adequacy that must be possessed by the competent, well-rounded executive. No company can afford to have as its senior executives men who have become frustrated and thwarted through the denial of economic reward as an accompaniment of titular advancement. Yet such will be the senior executives of any company which does not deliberately, and by plan, encourage and build to larger stature its junior executives.

As has herein been briefly indicated, many considerations of personnel organization and policy will follow from a personnel inventory. Such a survey will present in organized form what was theretofore but an undigested mass of impressions and personal reactions. It will make the business head consider and measure the performance of those he employs. It will cause him to ponder whether he is conducting his business under principles and policies which attract and create the high type of personnel which his business requires.

A personnel inventory is as necessary as a physical inventory. If you haven't made one—you should.

The industrial physician should not only be able to deal with physical and mental problems but he should also have an intimate knowledge of the physical demands and hazards of each position.

The Industrial Physician in the Personnel Program

By David F. Tver, Vocational Director Oklahoma City, Okla.

Mental hygiene in industry has become a very live issue. Employers are becoming increasingly cognizant of the large numbers of emotionally disturbed individuals within industry and their relation to production. Personality disturbances such as emotional maladjustment, isolationism, chronic complainers, anxiety and hypochrondriac types affect efficiency, productivity and also result in frequent absenteeism. Industrial psychologists, physicians, psychiatrists and personnel managers have devoted much time and research in an effort to obtain a better understanding of the problem. Much has been accomplished, but only a few of those who could use the results of this research have taken advantage of it.

Mental health involves not only the ability to cope with everyday problems, but also the manner and effectiveness in which a person meets his problems; his ability to get along with his fellow man; his self reliance; his community, family and social status.

We cannot divorce the environmental problem from the industrial problem; they are integrated into one total. An employee cannot leave behind his neuroticisms when he begins a new job. His physical ailments are related to efficiency and productivity.

It is important that some intelligent selection be made so that turnover problems be reduced to a minimum. The beginning of proper selection and placement of physically and mentally acceptable workers has its roots in the medical clinic and personnel department. It is impossible to weed out all the misfits, as it is impossible to measure the entire aspect of personality development, mental adjustment, and personal feeling in the testing field, but enough can be accomplished to reduce uncertain and haphazard selection to a minimum.

The problem is two fold; one, proper selection and placement; two, the interest of management in retaining a high level of morale, efficiency and incentive. Respon-

sibility should be delegated to the industrial physician and personnel department to select physically and mentally acceptable workers; and to the personnel department, the proper placement and indoctrination of accepted workers, placing emphasis upon their intelligence, individual aptitudes, abilities and interests.

The industrial physician's work cannot be over-estimated; he is essential in any plant regardless of size. The selection of a good industrial physician should not be based only on his ability to practice medicine, but on his intimate knowledge of the physical demands of each position and familiarity with the hazards of each job. He is also in a position to pick medical "repeaters" and accident prone types. Indirectly he will also come to handle the problem of emotional fatigue which is so closely related to industrial fatigue. The employee's health is a problem of management and should be recognized as such.

Another valuable service of the clinic is that of ascertaining the minimum requirements as to vision, hearing, degree of physical capacity, physical impairments and general physical limitations of applicants examined. The records can be used in direct relation with the job analysis file. This will make the job analysis records an active functioning portion of personnel procedure.

One of the foremost problems being recognized today is the relation of visual functions to safety. Studies made by the Sperry Gyroscope Co. & Revere Copper & Brass Inc. have shown the relationship of vision to accident proneness.

N. Frank Stump, of Revere Copper & Brass Inc. states in the June 1945, Factor Management & Maintenance, "Definite relationship between visual functions and safety have been shown by recent studies by Revere Copper & Brass Inc. . . .It is also a foregone conclusion that many industrial employees have subnormal vision. Obviously, both management and employees have a responsibility of creating an organized procedure for the correction of subnormal vision wherever it is found. Thus by bringing employees up to satisfactory visual standards, a reduction in accidents will result."

In relation to these problems is the realization that job analysis and physical demand studies have revealed some pertinent facts concerning mental and physical requirements for various positions.

There are many deficient personality types that will meet the basic requirements of most personnel offices, and once employed by a concern will become difficult to detect without constant observation, thereby costing management double what an original screening investment would have cost.

There are trades that have been segregated as dangerous to certain types of people. There are jobs that will tax individuals who have the intelligence but not the emotional stability required. There are introverted personality types that will have a difficult time working with others, and who will unconsciously develop friction and discontent among fellow workers.

The personnel office is the controlling factor, and much can be accomplished toward improving labor relations by a well functioning personnel policy. In-

valuable service can be rendered in alleviating personnel difficulties, by an understanding of existing problems and the elimination of the cause before real problems develop.

The personnel office has at its disposal various tools to aid in improved selection. These include many well correlated industrial tests involving interests, aptitudes and intelligence. In establishing a sound testing program it is not enough to test for testing's sake. In testing, the objectives must be defined, a job analysis made, and the relation of the tests to job performance determined. Each job should be studied separately and specific job requirements set up and standardized. The tests should then be studied and intelligently interpreted by competent psychologists who are familiar with industrial testing, and with the job requirements.

Other responsibilities of management are, proper leadership, employee security and recognition of accomplishments. Studies made by industrial relations concerns have shown that wages are not necessarily the basic desire or objective of the worker. More often security and individual recognition are the dominant factors. Lewis K. Johnson of Washington & Lee University states, "It seems almost trite to state that modern personnel philosophy recognizes that it is the responsibility of management to provide positive leadership for employees, yet in many concerns management is still unaware of the full import of the meaning of the term. Such leadership involves an attitude of mind directed toward earning loyalty, cooperation, interest and good will through the process of human understanding and fairness, and consideration for the dignity, self-respect, personal interests and security of employees."

In proper leadership it is important that management be particularly careful in the selection of supervisory personnel because of the great responsibility placed upon this group. Selection of proper leadership has a direct relationship to the constructiveness of any personnel program and the translation of its policy into realistic terms.

Here, the sum total of management's participation reflects upon the industrial picture as a whole. The picture cannot be considered complete without a comprehensive, well-rounded program, and an understanding of the human dynamics involved.

In conclusion, it is well to point out that whatever is done the philosophy of management will determine what functioning policy will exist. Overall observation will show that mental hygiene has its origin in management and reflects throughout the departments down to the lowest employee. Modernization of thinking is as important as modernization of machinery in order to operate an industrial plant at full efficiency.

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A rejoinder in explanation of a previous article and of some comments on it.

More on Personnel Administration

By C. C. Fracker, The Hamilton Foundry and Machine Co.

In a previous article (Personnel Journal, April, 1946) the writer set forth six principles of effective personnel practice largely based on three years of wartime experience dealing with employees in a plant of 30,000 employees. Two of the readers of that article were prompted to set forth in writing their criticism of some of the concepts expressed (Personnel Journal, September, 1946).

For those readers who missed the original article, the six principles are briefly outlined:

1. The importance of an employee lies in his individuality.
2. The selection and placement of employees can only be made by the proper combination of three techniques: personal interview; application analysis; and psychological testing; for no one alone nor any two in combination is sufficient.
3. Compensation should be adequate and in proper relation, for only in comparison with others do wages become a matter of contention.
4. Promotions should be considered first, on ability to do the job; second, on merit; and third, on seniority.
5. No discrimination should exist because of race, creed, color, or country of origin except where local precedent makes such practice untenable from a production standpoint, for at no time should a company's position be such that the company is, in effect, promoting any minority group.
6. There should be provided only those employee services which will promote more efficient workmanship, carefully avoiding any appearance of patronage.

Mr. R. R. Hopkins, of the Vauxhall Motors Company, England, in an article titled "Industrial Relations by Proxy" refers to the writer's earlier article. While he does not specifically find fault with any one principle, he does challenge the thinking which allows such principles to be established on the basis of experience in a plant of enormous size and the implication that they will be equally effective in small plants. As the principles are individual in nature it would seem that while the application

may vary, the fundamentals are the same whether for ten individuals or 10,000. He states further that new methods are badly needed for businesses of over a thousand employees. Mr. Hopkins' solution is the use of committees and he relates the success with which his company has met some of the problems of personnel administration by their use. We cannot help agreeing with Mr. Hopkins' statement that the average reaction to committees is either amusement, cynicism, or both. We have a popular expression in this country, "If you want to make sure that nothing is done, give it to a committee."

We in America have been slow to make a conscientious effort to establish committees and see that they work. Perhaps Mr. Hopkins has pointed directly to the reason for our failures when he states that the committees of his company have been given *effective responsibility*, and states further that the committees' accepted recommendations *must be acted upon without demur or delay*. Committees are likely to be ineffective if operating merely in an advisory capacity. If the advice fits the preconceived ideas which exist, well and good. If not, then the committee falls into disrepute.

The writer has sincerely appreciated the criticism of Mr. Hopkins and it has been accepted in the spirit in which it was given.

Similarly the comments of Mr. J. S. McMahon, formerly of the Globe-Wernicke Company, Cincinnati, Ohio, have been accepted in the spirit in which they were given.

It seems desirable to comment on some of his specific statements, and there may be some basis for exception to the title of his dissertation—"Misleading Experience." Would it be academic to suggest that experience is misleading or not, depending upon the individual? If an experience is misleading it is due to the faulty assumptions and conclusions of the individual and not due to the experience itself. Certainly we are all familiar with the situation where two people are subjected to an identical set of circumstances or events, and yet follow widely divergent ways thereafter, one benefitting by such experience and the other being totally misled by the same experience.

He starts off by saying that the article suggested a divorce of the functions of personnel administration and labor relations. The article was meant to convey the thought that they should never be married in the first place.

He also states that the philosophy and reasoning in respect to administration appear not only to be "—impractical, but also most unsound, and not in keeping with the teachings of experience gained in industry in general." There may be some question as to this gentleman's authority to speak for industry in general.

There can certainly be no disagreement with his statement that experience gained in war plants may prove inadequate as a basis for peace time operations. I had hoped that it was clearly brought out in the original article that, while some of the principles were based on observation of successful action, others *were only inferred because of the undesirable results of contradictory policy*. May I again suggest that experience is only misleading if misinterpreted.

The criticism further states that "—division of responsibility of good management does not necessarily enhance its effectiveness." It has been fairly definitely established by Glenn Gardiner, Dr. Dale Yoder, the American Management Association, and other authorities in the field, that the clear and distinct delegation of responsibility is one of the first essentials of effective management.

Henry E. Niles, secretary of The Baltimore Life Insurance Company, in his excellent article entitled, "Principles or Factors in Organization", says among other things, "Responsibility should be explicitly delegated." And further, "Responsibility should be clearly defined so that the proper point of decision can be quickly determined." The American Management Association in their Ten Commandments of Good Organization lists as number one, "Definite and clean cut responsibilities should be assigned to each executive". Lawrence A. Appley, vice president of Montgomery Ward and Company, in an article titled, "Management the Simple Way", says, "If there is misunderstanding about individual or departmental authority and responsibility—people cannot work effectively". There are many similar examples with which everyone is familiar.

The next paragraph goes on "—an organization of a multitude of little men, each applying his pet theory of how to do it". If such a condition exists in any company it would appear that the problem lies with the leader and not with the system. It matters not how well-organized a unit is, it must also be well led. No one can successfully follow the leader if the leader does not know where he is going.

The final comment in this gentleman's dissertation is very revealing. He says, 'Let the Personnel Administrator never forget that his one day dealings with employees on an individual basis may (and too often does) mean many days of headache for his boss, the Industrial Relations Manager, who has to deal with this employee on a collective basis ever after." It is all too readily apparent that this thinking is entirely at odds with *any* concept of individual dealing with employees. Further, it is diametrically opposed to the first and most important of the six principles originally outlined. He implies by his statement that the Industrial Relations Manager is first and foremost a "labor" man. On the other hand, there are many companies where the Industrial Relations Manager is primarily a "personnel" man. Either of these conditions is undesirable and is the very thing which this writer attempted to warn against. If the Industrial Relations Manager is a "personnel" man it is likely that the individual aspect of manpower management will be stressed to the exclusion of proper group dealing. If the Industrial Relations Manager is a "labor" man, then individual dealing goes out of the window. The *importance* of an employee lies in his individuality. The necessity for group dealing is most often the result of lack of proper individual dealing in the first place. Morris Pickus, President of the Personnel Institute, speaking at the International Personnel Conference in Chicago just last September, concluded his challenging talk by saying, "The grass root problem is *individual*, not *collective*." Nate Schefferman, Industrial Relations Director of Sears Roebuck, inspired the same conference with an electrifying speech whose theme was "There is no substitute for talking to the guy!"

Needless to say, it is most gratifying to know that the principles originally propounded have aroused controversial thinking and some disagreement. Had I not been prepared to defend these principles it would have been most foolish to propose them in the first place. My sincere thanks to Mr. Hopkins and to Mr. McMahon for expressing their views which I am sure are as sincere as my own, and similarly, my appreciation goes to the editor of this paper for the opportunity of presenting these further comments.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by PERSONNEL JOURNAL, INC.

(President and Treasurer, Edward N. Hay. Secretary, D. D. Hay)

Swarthmore, Pennsylvania

Volume 26 *Number 2*

Contents for June 1947

Edward N. Hay, *Managing Editor*
D. M. Drain, *Circulation Manager*

Use Plain Words, Not Fancy Ones

One of the chief duties of an editor is to make sure that his publication is understandable. Writers in a specialized field such as personnel are not expected to show the literary skill of a successful novelist or essayist. There is no reason, however, why they cannot tell their stories in plain English, without dragging in elaborate words where plain ones will convey the meaning.

Anyone who is familiar with Modern English Usage, that useful and amusing work of the brothers Fowler, will have seen what they say about working words and stylish words. "What is to be deprecated," they say, "is the notion that one can improve one's style by using stylish words. Many words are stylish only when they are used in certain senses, being in other senses working words. Category is a *working* word in the philosopher's sense, though *stylish* as a mere synonym for class."

What is also "to be deprecated" is the current American habit of using stylish words which do not even properly qualify as synonyms. Technique does not mean method, although it is constantly being substituted for it. Technique is defined as mechanical skill in an art, while method is defined as an orderly procedure or process; a regular way or manner of doing anything. Technique and method, according to these definitions, are certainly not synonymous.

A few stylish words much used in personnel literature, along with their working cousins, are:

Stylish	*Working*
Concept	Idea
Endeavor	Try
Remuneration	Pay
Compile	Collect
Factual descriptions	Descriptions
Facets (of a program)	Parts
Utilize	Use

All of these stylish words appeared in manuscripts submitted in the past two months, each one looking "like an escaped canary among the sparrows," as Fowler puts it.

Many other writers are too lazy to say precisely what they mean. Etc. is one of their refuges. For example, "trade skills of carpenter, bricklayer, etc.," instead of "trade skills like those of the carpenter and bricklayer." Writers who have not made themselves clear are prone to say it over again, beginning with "In other words . . ." Or they cloud their meaning with trite and sometimes ambiguous phrases like "in terms of." A personnel director was heard to comment recently on the great differences between cities "in terms of the cost of living." He evidently meant that the cost of living varied greatly between cities.

What has been said must not be construed as an argument for strict conventionality in writing. For example, many good writers make effective use of slang. One prominent personnel man who writes unusually readable prose sharpens

his meaning on occasion with a pertinent slang expression. "Few supervisors really believe that the ratings actually permit them to 'call the shot' on success or failure."

The ability to make himself understood is important for the personnel worker. There is no reason to handicap himself by using fancy words where plain ones will do.

FORTHCOMING ARTICLES

Readers will have noticed a marked improvement in the quality of the articles that have appeared in Personnel Journal in recent months. Every effort will be made to continue to improve the quality. One way in which readers can contribute to this improvement will be to send in articles telling of their experiences. If you have a story to tell that you think would help others in the personnel field send it along. If you lack skill in writing just do the best you can and if it is a good idea we will polish it up for you.

A simple contract clause has helped to keep Bendix Radio free from "wildcat" strikes

Management Protection Against Wildcat Strikes

By R. C. Smyth, Director of Industrial Relations,
Bendix Radio Division, Baltimore, Md.

As the result of signing a labor contract, management has every right to expect freedom from work stoppages during the life of the agreement. To assure such uninterrupted production most labor contracts include a "no strike-no lock-out clause" in which customarily the union agrees that "there shall be no strike for the duration of the agreement" and the company agrees that it will not "lock-out the employees."

However, often such clauses have not been of much value, particularly from management's point of view. All too frequently radical or minority groups within a union local have shut down certain production lines, whole departments, or an entire plant for periods of time ranging from hours to weeks in violation of an existing contract. Usually such work stoppages are officially opposed by the officers of the local union and almost always are publically deplored by the leaders of the national or international union involved. Nevertheless, they do occur.

In the past many managements have taken the position that prohibiting a union from calling a strike during the course of the agreement was all the protection the company needed. If individual employees or groups of employees participated in a work stoppage in violation of a contract, management would discipline the offenders or their leaders. However, many companies have been greatly surprised to find, after discharging such strikers, that, in some cases, their reinstatement has been ordered by an arbitrator. Sometimes such disciplined workers have even been ordered reinstated with back pay. Obviously such decisions do not strengthen management's hand in preventing "quickie" strikes and in maintaining discipline.

Feeling that the great weakness of most "no strike" clauses lies in their failure specifically to prohibit the individual employee from engaging in a work stoppage, we have been successful in negotiating the following clause in two labor agreements with the international union representing our employees.

"Strikes and Lockouts"

"The union agrees not to sponsor or authorize any type of strike, work stoppage or slow-down to occur during the duration of this Agreement. Neither will any employee take part in any type of strike, work stoppage or in any other way interfere with the Company's operations during the duration of this Agreement. Any or all of the employees who participate in any type of strike, work stoppage or in any other way interferes with the Company's operation shall be subject to immediate discharge.

"The Company agrees not to conduct a lock-out during the term of this Agreement."

It will be noted that this clause makes "any or all" of the employees involved subject to immediate discharge. The qualification "any or all" is important, particularly where a large number of employees are involved in which case it is usually practical to discharge only the leaders of the work stoppage.

It should also be noted that since this clause has been contained in our labor contracts it has never had to be applied. Undoubtedly, the existence of this clause has deterred some few local "hot heads" from taking precipitate unauthorized action on their own, and we feel has contributed to sound industrial relations in our plants.

The Foreman is the one person close to the rank and file employee. This is a review of the various ways in which the Foreman can become a more effective member of management.

The Foreman's Place *in* Management

By Guy B. Arthur, Jr., Consultant in Personnel Administration, New York

In ancient days, when business was small and things moved rather slowly, materials were moved on carts having wooden axles and wooden wheels. As greater speed became necessary, metal axles were used and iron rims were put on the wheels. More and more speed was needed so scientists developed hi-speed steels and bearings to cope with the friction developed in machinery. The improvement of bearings has now reduced friction to the point where some moving parts can now move faster than the speed of light. Just as bearings solved many mechanical problems during the growth of the "machine age," so, now we need special new "bearings" to solve our problems of human relationships in industry. We have one such bearing in our foreman, if we will only use him. Foremen can get the job done with a minimum of friction if they are trained properly and given the necessary authority. Only with a minimum of friction will we be able to deliver quality products on schedule at competitive costs in the future.

Foremen occupy a unique place in every management structure. They are the only part of management who can build the organization of rank-and-file people. They alone can obtain the degree of cooperation necessary for maximum production, and such cooperation can only be found where satisfactory human relationships exist. Foremen know that this requires the use of social skills rather than mass handling of people, no matter how large the organization might be. In this connection, first line supervisors are the only segment of management who know the employees intimately enough to deal with them on a personal basis.

A noteworthy difference between large and small business is the absence of close personal relationships in the former. As companies have grown it has become necessary for top management to delegate more and more of their supervisory responsibilities to assistants. In doing so executives have not permitted these subordinates to deal with employees on the same personal basis that was responsible for the company's satisfactory human relationships in earlier years. While supervisors were given the responsibility for production they were not given the author-

ity to make many of the decisions which were vital to the employees. Employees have respect for the "boss" who can make decisions regarding their welfare but have little for the supervisor who answers questions by referring them "up the line" to high authority.

When we have respect and admiration for our superior we usually do a good job for him. It is easy to cooperate with a "boss" who cooperates with us by answering our questions and by seeing that we get a square deal. Of course, to gain this respect foremen must be "in the know." They must know the company's policies and how to correctly apply them. They must know how to interpret and administer the labor contract. They must know top management's thinking on all problems affecting employees. They must know the company's plans for the future. They must know of top management's decisions before other people in the organization hear of them. Finally they must know how their group and the company are making out--production-wise and profit-wise. All of this information must be in sufficient detail to enable foremen to intelligently answer the questions of their employees. Foremen must be well trained and well informed at all times.

Too many supervisors today have responsibility without corresponding authority. They are held answerable for their employees' production, attendance, safety, discipline and morale. How often though do we find supervisors with the authority to make decisions regarding those people who work for them? To illustrate, suppose we go into some detail on one specific problem. Satisfactory human relationships within any group depend upon how well the members of the group get along with each other. In view of this, the selection of individuals to fit into any group is very important. Only someone with an intimate knowledge of those already in a group can decide whether or not a given person might add to or detract from its harmonious relationships. However, in too many companies the foremen, who are in the best position to decide who might fit into their groups satisfactorily, have no authority to accept or reject applicants. In only a few companies are foremen allowed to make the final selections of new employees. In but few large organizations is it clearly understood that each new man will be put on the permanent payroll, following a short probationary period, only if the foreman agrees the man is satisfactory.

We should depend upon the supervisors' judgment regarding final selections so as to build up groups that will work well together. We should let him be the one to satisfy the applicant's desire for a job, because that in itself will put the new man under obligation to his foreman. We should also give him this final authority in selecting applicants so they will respect him in the future. Granting such authority to approve or disapprove applicants does not eliminate the need for a personnel officer. It is still necessary to have a recruiting and screening job done that will provide supervisors with the best possible candidates to choose from.

Once a man is on the payroll there are a number of day-to-day personnel prob-

lems which arise that are of vital importance to the employees. Where the foremen have the authority to make decisions regarding these matters, employees have respect for them. Where the foremen do not have such authority but must refer the individual to staff groups, to some higher line officer, to a Personnel Department or to the union representatives, the employees cannot possibly have the proper respect for them. The vital day-to-day operating personnel matters are those involving transfers, granting leaves of absence, upgrading, settling grievances, arranging vacation schedules, and the final discharge of unsatisfactory employees. If we are to enable foremen to gain the respect necessary to obtain the cooperation and best efforts of our employees it is imperative that we give them the authority to make decisions on all problems which are vital to their subordinates. Only proper training will assure that these decisions will be sound enough to warrant being upheld by top management.

The foremen's personal knowledge of their employees puts them in a unique place in management, because they are thus able to appraise their employees' reactions to any given proposal. A top management who wishes to make no mistake in personnel administration seeks the employees' possible reactions in advance of arriving at any conclusions or decisions affecting them. It is relatively simple in most companies to hold a short foremen's conference for the sole purpose of ascertaining what the employees' likes or dislikes might be on such things as changes in working hours, incentive plans, rest periods, working conditions, and the like. When top management needs accurate knowledge they can ask the foremen to go back to their subordinates and determine in a personal way what each one thinks of a given proposition. Following this the foremen can report their findings to top management. Then top management can advise each of the supervisors of the final decision and have them transmit it back to the rank-and-file employees. In companies where this procedure or a similar one is followed everyone knows that the foremen are a part of management, because the foremen are helping to influence major decisions which are vital to the employees.

In the negotiation of labor contracts the better top managements utilize the brains of those who have to administer the contracts. Top management seeks their advice on company and union proposals in advance of negotiation. It is impressive to sit in such meetings with foremen and find how many changes can be made in the contract which will enable the supervisors to obtain a greater degree of cooperation from the people working for them. Many companies today are following the excellent practice of inviting supervisors to attend those negotiation, arbitration and grievance meetings.

These are a few ways in which top management can give foremen part of the management job to do. In turn, foremen will gain a greater degree of respect from their subordinates. More satisfactory human relationships will result. Friction in human relations may not be eliminated but it will be reduced by these human "bearings" to a point where it no longer slows progress.

The percentage of your new employees who succeed is a measure of the efficiency of your hiring methods. Therefore, you are not justified in using a test, or any other guide to hiring, unless you know its "validity," or predictive efficiency.

How Efficient Are Your Hiring Methods?

By Robert N. McMurry, Management Consultant, Chicago

No phase of personnel administration is subject to more confusion, misunderstanding, and outright chicanery than employee selection. This confusion results chiefly from the failure of employment and personnel managers to understand certain basic principles of this phase of their work.

First of all, it is apparently not common knowledge that efficient employee selection makes use of at least two, and often three, quite distinct procedures in conjunction with one another. When employment managers think of accurate methods, psychological tests are sometimes the only things which occur to them. Actually, a well-balanced selection program requires the use of at least two of the three available procedures, usually tests and interviews. The three methods are:

1. The application blank
2. Employment tests
3. The interview

Each one is discussed in detail in the following paragraphs.

1. *The weighted application, or biographical inventory.* This is developed by determining which items on the application, such as age, or marital status, are significantly related to job success. Its primary purpose is to serve as a preliminary screen to exclude those applicants whose chances of success are so poor that it is a waste of time to consider them further. It is completely objective and so simple to use that it can be administered by any clerk.

2. *Psychological or employment tests.* Their purpose is threefold; to serve first as a further, *finer screen* to exclude those applicants who lack certain minimum qualifications for success; second, as an aid in the *placement* of those applicants who

The author wishes to express his appreciation to Marion W. Richardson and Paul Horst for their criticism and assistance in preparing this article.

appear to be qualified for employment; and third, as a *clinical instrument* to aid the interviewer in forming his judgment concerning the applicant's qualifications. Although the first two uses of tests require little skill on the part of the administrator, the third demands extensive training in their interpretation and is subject to a considerable degree of unreliability, especially in the hands of untrained persons.

3. *The patterned or standardized interview, preceded by the personal or telephone check.* This is usually the last, and some times the only, step in the selection procedure. However, it should incorporate, with the test findings, information obtained from the telephone check and from the applicant himself. The interview is the point at which the final decision to hire or not to hire is made. The purpose of the patterned interview is threefold: *First*, to obtain and collate in an organized manner relevant facts from tests, from schools, from previous employers, and from the applicant himself; *second*, to provide a yardstick against which to measure the applicant's qualifications in terms of his stability, his industry, his ability to get along with others, his loyalty, his self-reliance, his leadership, his perseverance, and his motivation; and *third*, to determine emotional maturity as an aid in the interpretation of all the facts obtained. These essentially clinical methods require that the interviewer have at least average intelligence and a well-adjusted personality, together with specific training in the methods of the patterned interview.[1]

It does not seem to be generally understood that psychological (employment) tests are not simply measures of "aptitudes," but are actually of five different types. Depending on their content, they may be used to measure: (1) *Intelligence, or mental alertness* (facility with relationships in the abstract) (2) *Aptitudes* such as in the fields of mechanics, clerical work, sales, engineering, (3) *Proficiencies;* for example in typing, shorthand, comptometry, spelling, or grammar, and trade skills such as machinists, carpenters, masons possess (4) *Vocational interests*, as measured by the Kuder or Strong tests; and (5) *Temperament or personality*. No single instrument can be expected to measure all five of these qualities. Because of fundamental differences in the qualities to be measured quite different types of tests must be employed.

It is likewise seemingly not generally known that all tests (as well as weighted applications and interviewing procedures) *must be validated before they can be used with confidence.* This means that the extent to which a given test or other procedure will discriminate between known satisfactory and known unsatisfactory employees on a particular job must first be determined. Hence, *unsatisfactory*, as well as satisfactory employees in sufficient number (at least 50, and preferably well over 100) must be included if the analysis is to constitute a sound validation study. Some measures, such as proficiency and trade tests may be validated more easily and directly than other types of tests because they are essentially job samples. Nevertheless, even they must be validated.

A validation study may be conducted either with present employees or with

[1] For a detailed discussion of these qualifications, see R. N. McMurry, "Handling Personality Adjustment in Industry," Harper & Brothers, New York, 1944, pp. 117-123

applicants at the time of hiring. Where the tests are validated on applicants for employment, no one is eliminated simply because of poor performance on the tests. All are hired who would have been accepted independently of the tests. Then, after obtaining a measure of each individual's success on the job (usually six months or a year later), it is possible to determine the extent to which the tests have actually discriminated.

These validation studies also permit the establishment of critical scores for acceptance-rejection on the basis of actual results.

It is necessary to validate tests in this manner because, contrary to popular belief:

1. The *name* of a test alone is no sure indication of what it measures. It has frequently happened, for example, that a so-called test of "clerical aptitude" has proven very useful on a *factory* job. Inversely, there are a number of purely *clerical* jobs on which such a test has not contributed greatly.

2. The fact that a test has been used successfully on one job is no guarantee of its suitability for another, even though the two are quite similar. There may well be local variations in the labor market and subtle differences between apparently identical jobs which, while not obvious, will materially affect the validity of the test. Hence, a test must be locally validated and standardized. Another reason for local standardization is that there are huge sectional differences in different parts of the country. Likewise, the fact that a test was used by the armed services during the war is no necessary guarantee of its value in industry, because conditions in business may differ radically from those prevailing in the services.

3. The fact that the author of the test is a qualified psychologist does not insure its appropriateness for a *particular* job unless the author has designed and validated it for that specific occupation. An example of a good test of this latter type is the "Aptitude Index" of the Life Insurance Sales Research Bureau.

4. The fact that the test has been "standardized" (as distinct from "validated") does not mean that it will reliably predict success on any *particular* job. "Standardization" means merely that the test is probably "reliable" (repeated administrations will produce essentially the same results) and that general or over-all "norms" have been established by administering the test to a representative sample or group of people thought to possess the same characteristics as the population at large. More often, however, these norms are based on specific population groups, such as high school seniors, college freshmen, engineering graduates, etc. This permits comparison of the performance of a given individual with others who have taken the test. It does not mean that his standing relative to these over-all norms has any value in predicting how well he will do on a particular job, in a particular company, in a particular part of the country.

5. The fact that a test appears on purely logical grounds to have value in discriminating potentially worthwhile from potentially unsatisfactory candidates is still no assurance that it does. For instance, a test validation study was made on

chocolate packers in a candy factory, using 22 tests embracing every possible measure of manual dexterity, visual acuity, intelligence, vocational interests, and special aptitudes which seemed even remotely to be applicable. Yet of the 22 tried, only three tests actually showed sufficient validity to justify their inclusion in the final battery recommended for selection purposes. Thus, the mere fact that on the basis of logic alone a test should predict success is no assurance that it will.

Furthermore, it is not generally recognized that even under the best of circumstances there is a definite limit to the efficiency of a single test or a battery of tests. Actually, the validity obtained in industry for a given test, or battery of tests, rarely reaches .70. This figure indicates the magnitude of the "coefficient of correlation" between performance on the test and job success. It does *not* indicate the *percentage* of efficiency of prediction produced by the test or tests. (This coefficient is an arbitrary index, designed to indicate the closeness of the relationship between these two variables: performance on the tests and job success. A coefficient of 1.00 indicates complete correspondence; a coefficient of −1.00 indicates complete negative correspondence; and a coefficient of 0 indicates no agreement whatever.) The variations in the degree of correspondence can best be seen from the following table:

Coefficient of Correlation	*Index of Predictive Efficiency*
.10	.5%
.20	2.
.30	5.
.40	8.
.50	13.
.60	20.
.70	29.
.80	40.
.90	56.
1.00	100.

As may be seen, a small coefficient of correlation does not greatly increase the efficiency of prediction (a coefficient of .10 increases it by but one-half per cent; of .30, by but 5 per cent; and of .50, by but 13 per cent). A validity coefficient of .68, taking any case at random from the distribution as a whole, will improve the efficiency of prediction by but 28 per cent. In short, tests at best merely reduce the error of prediction; they never eliminate it entirely.

Where there is a well-established correlation between a test and a criterion and the relation is "linear," good results can be obtained, even though the correlation is relatively low, if the critical (passing) score is set sufficiently high. Thus, the efficiency of prediction can be increased very appreciably. The final contribution of any testing program is a function not only of the magnitude of the validity coefficient, but also (1) of the per cent of the total number of applicants who must be selected and (2) the ratio of the individual effectiveness of those selected to those rejected. The total dispersion of the distribution gives only a very poor index and does not take into account at all the greater efficiency arrived at when skimming the cream off the top of a distribution.

On the other hand, this increase in predictive efficiency is often obtained at considerable cost from a practical employment point of view. This is because if the critical score is set so high that most of those who pass are almost certain to be successful, it is inevitable that many others will be rejected among whom are some *who would also be successful*. If the labor supply is ample and the employer is willing to spend the time and effort to test enough men to get the required number of high-scoring applicants, such a procedure will be very rewarding. (It was especially well suited to the armed forces where many men were available and testing facilities were ample.) In industry, on the other hand, particularly in today's labor market, it is not always economical to lose potentially desirable employees in order to increase the certainty of the success of those who meet high test standards.

The employer is faced with these alternatives: either to set employment test standards relatively low, with a corresponding loss of predictive efficiency that is, with an increase in the proportion of those hired who do poorly on the job, or to set them high with a corresponding loss of qualified applicants. This means that those advocates of tests who claim to be able to increase the efficiency of prediction by as much as 85 per cent, do so at the risk of the loss of numerous potentially desirable candidates. In actual practice, the instances in which *any* battery of tests with *any* standards will improve the efficiency of prediction by 85 per cent are so rare that such claims can usually be taken as an evidence of charlatanism on the part of their makers.

It is clear, therefore, that tests, while having a definite contribution to make, are far from providing a panacea. Furthermore, if they are to be used for other than purely clinical purposes, they must be validated specifically for the particular jobs on which they are to be employed. However, validation itself requires that certain rather rigorous conditions must be met. First, as already indicated, there must be enough cases to insure statistical reliability. There should be at least 50 cases, all of whom must be engaged in similar work, although not necessarily in the same company. This tends to narrow the range of jobs for which tests can be validated since most smaller companies have few, if any, departments with 50 or more persons engaged in a given class of work. This can be overcome to some extent by grouping employees from more than one company for testing purposes.

Attempts have been made to develop batteries of tests which can be used generally in industry without special validation to fit them to select candidates for particular jobs. Typical of these are the batteries recently announced by the USES. Rather extensive studies have been made in numerous plants and offices to determine the relationship between performance on the various tests in the batteries and relatively specific job operations. It is reported that the tests recommended have shown satisfactory validities in predicting success in these individual operations.

Nevertheless, even in using pre-validated tests of this character, a word of warning must be given: One of the peculiarities of psychological tests is that even a slight change in the conditions under which they are used may seriously impair their validity. Even though the individual tests composing the battery have shown

validity in the initial research studies, paradoxically, they may not show equal validity, or even any at all, when used on other jobs. In view of this, it is highly desirable to subject even such tests as those developed by the USES to secondary validation to determine their predictive efficiency for the specific jobs on which they are to be used.

It must also be kept in mind that all tests of intelligence, aptitudes and proficiencies are measures of what the man or woman *can* do; they are indices of the individual's *equipment*; the skills, aptitudes, and experience which he brings to the job. However, they provide no assurance that he *will* do what they show he *can* do, once he is hired or that he will otherwise be a desirable employee. He may have adequate intelligence, aptitudes and skills and still be highly unsuitable owing to laziness, irresponsibility, or inability to get along with others. These latter characteristics can, in the author's judgment, be best evaluated by interview procedures used in conjunction with the tests.

Successful validation of tests, the weighted application, and the interview requires, in addition, that reliable measures of job success be available. The more criteria available for use, the better. As a rule, the following minimum data must be obtained on each case to serve as the basis of an over-all evaluation of the employee's job success: Volume of production and quality of output, where available; length of service; and success ratings by foremen or department heads. This establishment of adequate criteria is at once the most important and most difficult phase of the validation of tests and other selection instruments and procedures. It is important because the ultimate findings of the validation study cannot be more reliable than the data on which they are based; it is difficult because genuinely reliable criterion data are often hard to obtain.

A third condition that must be met to insure that the findings are sound is to make sure that the test or battery of tests is carefully administered. Otherwise, there may be some question that the results obtained are truly representative of the capacities of those being tested. With this end in view, the purpose for which the test findings are to be used must be clearly explained to each testee to put him at his ease and to stimulate his desire to do his best. Likewise, tests having a definite time limit must be carefully and accurately timed, since an error of a minute can give the employee a considerable advantage or disadvantage.

Even those companies which have less than the minimum number of employees engaged in one line of work to permit immediate validation can, if they are willing to accumulate enough cases over a period of time, also conduct validation studies. This procedure, validation through the accumulation of the necessary number of cases over an extended period, is, incidentally, a highly desirable method. This is because the sample used is truly representative because it includes not only those who have remained on the job, but also those who have left or failed quickly. This is not true where only present employees are used. Furthermore, with this method, since applicants only are used, the tests are usually administered under typical

employment conditions. This insures that the results can be used with confidence since the situation in which the tests are validated is the same as that in which they will be used in practice.

Unfortunately, because of the general lack of awareness of the need for the validation of tests before they are used, certain abuses have developed. Some of those working as "experts" or "consultants" in the field of employee selection, either through ignorance or because it is easier to sell a "package," offer ready-made, standard test batteries presumed to be universally effective in discriminating potentially good from potentially poor candidates for a wide variety of jobs without prior validation. Typical is the company, reported by A. O. England, which tested 12,000 employees without ever validating any of the measures used.[2]

These "consultants" exploit the fact that many employers insist on immediate results and that others either are unwilling to spend sufficient money to conduct a validation study or do not have enough employees to make the conduct of such a study possible. They often offer their test packages with the inference that testing is somehow a mysterious procedure in which only the practitioner, as a result of his special training, is able to "interpret" test findings. They imply that this provides an adequate substitute for the conduct of studies of the tests' validity. It also suggests that the practitioner is indispensable on a continuing basis to the success of the selection program.

Others claim to be able to validate their tests, using *only successful cases* and frequently small numbers (10–20) of these. This so-called "validation" is also referred to as the establishment of a "pattern" or "profile." This "profile" is subsequently used as a basis for the evaluation of applicants. (The degree to which a candidate's performance on the tests conforms to the "profile" is taken as the measure of his suitability.) Such a procedure is basically unsound because it *assumes* what validation is designed to prove, namely that the test will actually discriminate between satisfactory and unsatisfactory employees and can, therefore, be used with confidence in selection work. As a rule, only outright charlatans attempt to mislead their clients with validations of this type. In reality, there is a strong possibility that if *both* satisfactory and unsatisfactory cases had been used in such a "validation" study, it would have been discovered that the "profile" of the *unsatisfactory* group so closely approximates that of the *satisfactory* group that the differences would not be statistically significant.

These "profiles" seem to have a strong attraction for laymen, especially those who find satisfaction in manipulating charts and figures. This is presumably because they seem so precise and objective. In some instances, especially where bar charts, a form of profile, are used to report test findings, *color* is also often employed to distinguish various classes of tests or types of findings. This seems to make the report even more impressive and convincing. The danger of these "profiles" and bar charts lies in their often spuriously scientific appearance. There is

[2] An Evaluation of Personnel Practices in Midwest Plants, Industrial Relations, April, 1947, pp. 5–8.

certainly nothing to be said against these methods of presenting test findings as such. The harm is to be found in their uncritical acceptance by laymen simply because they appear to be so precise and objective.

The statement is even made by some "consultants" who are unfamiliar with the fundamental principles of test construction and use that validation is actually unnecessary. Some go so far as to state that the test is its own criterion. By this they mean that whatever the test measures is so fundamental that it is not to be questioned. The purpose of a test is to aid in the prediction of job success. Unless it can be demonstrated that there is a clear and consistent relation between performance on the test and job success, it is risky to use it for selection and placement purposes, regardless of what absolute characteristics it measures. Only validation will indicate the degree of this relationship.

Some tests are advocated chiefly for use as "aids to the interviewer." This does not, however, eliminate the desirability of their validation because, if the information they provide is to have maximum value, it is essential that it be sound. For the same reason, it is equally important that the weighted application and the interview also be validated.

With adequate validation, tests can make a valuable contribution to employment work by providing quick and reliable measures of such qualities as intelligence, proficiencies, aptitudes, and vocational interests. On the other hand, where improperly used, tests *can* have serious disadvantages. If, for instance, they are used without validation or are poorly administered, they may lead to the hiring of potentially unsatisfactory applicants or the rejection of potentially satisfactory ones and thus result in an unproductive selection procedure which wastes time, effort, and money.

The mere fact that a company is enthusiastic about a battery of unvalidated tests is no insurance that the tests are actually making a substantial contribution to its selection procedures. In the case of one vigorously-promoted test, eleven companies, none of which had validated it or had conducted any controlled follow-up studies, were enthusiastic about its contributions; the twelfth company, which validated it thoroughly, reported that its worth was so negligible that nothing was to be gained by using it. All too often this enthusiasm has its source in the person who has chosen the tests. Nevertheless, this very enthusiasm frequently leads the company to omit the conduct of carefully controlled follow-up studies to verify the extent to which the tests have actually discriminated between subsequent satisfactory and unsatisfactory employees.

On a purely chance basis, *any* test will predict correctly some of the time. This, unfortunately, enables the advocates of the tests to cite cases, often dramatic ones, in which they have made made excellent predictions. What is overlooked are the instances in which the tests have missed badly. No company is justified in concluding that tests have made a valuable contribution to its employment problems on the basis of a few individual cases, no matter how impressive.

In practice, as indicated, the best results can frequently be obtained by combining tests and interviewing procedures. The tests provide necessary measures of intelligence, aptitudes, proficiencies, and skills; the extent to which he *can do* the job. The interview yields an indication of what he *will do*; of what use he will make of his equipment. It offers a means for the evaluation of the applicant's stability, industry, ability to get along with others, loyalty, self-reliance, leadership, emotional maturity and motivation to work. These qualifications are just as important for job success as the individual's mental equipment, aptitudes, etc. Since, however, no existing tests have been proved to measure these specific traits, only the interview can now be used for their evaluation. On the other hand, the applicant's *equipment* is much better evaluated by tests; hence, the two methods complement each other.

An illustration of the results of the use of the two methods in conjunction is to be found in the study conducted at the plant of the Link Belt Ordnance Company in Chicago in 1942–43.[3] Here, for example, with a population of 407 cases, a validity correlation of .68 was obtained for the interview. Next, taking 97 cases which were acceptable on the interview, a validity coefficient of .64 was then obtained in the placement of welders, using Thurstone's Identical Forms test. The cumulative effect of the two methods used in serial order was to increase the efficiency of prediction appreciably.

Modern selection procedures can make surprisingly accurate predictions of employee success and can be very useful in placing individual applicants on the jobs for which they are best suited. Nevertheless, to have maximum value, they must be carefully tailored to the requirements of the specific company which is to use them. Fundamental to this tailoring process, regardless of the methods used (whether they be the weighted application, tests, or patterned interview) is thorough and systematic validation.

[3] R. N. McMurry and Dale L. Johnson, Development of Instruments for Selecting and Placing Factory Employees, Advanced Management, Sept., 1945, pp. 113–120.

Management must inform employees at all levels of its policies, plans and attitudes, unless it is willing to risk being misunderstood. Here is a description of the various ways of communicating and interpreting the personnel program.

Employee Publications *for* Interpreting *the* Personnel Program

By Robert D. Breth, Management Consultant, Philadelphia

This discussion of employee publications covers greeting handbooks, supervisor's manuals and periodic publications edited specifically for the employees. Singly, or in any combination, these publications represent one of the most effective means of communication in *interpreting* and controlling a sound personnel program.

The emphasis on the word "interpreting" is deliberate: employee publications of themselves cannot take the place of a planned personnel program. A sound program must be in existence before anything can supplement the job of interpreting it to the employees. Thus employee publications find a proper place in the personnel structure as an important and primary means of communication.

In the following pages considerable space will be devoted to describing the various means of communication, together with their advantages and disadvantages. The weight of the evidence leans toward employee publications as one of the better means of communication. Why is this so?

A personnel program can be only as effective as the line of communications through which it is received, absorbed and understood by the average employee. It matters not a whit if the company management and personnel administrator are interested sincerely in the welfare of every single employee—unless the employee knows it. The most advanced program will fall short of achieving maximum benefits in lasting good will—unless the employee understands it. Profit sharing, retirement funds and other morale boosting plans are wasted—unless the employee appreciates their full significance.

Thus a sound personnel program, with the improvement of employer-employee

relations as its core, should take into consideration not only the *methods* by which the improvement is to be gained, but the *means* by which those methods can be interpreted best.

The "Line" Defined

There are several means of communication with the employees. In addition to employee publications, personnel communication may include: 1) personal contact, 2) group meetings, 3) letters and memos, 4) posted bulletins, 5) the deadly "grapevine". An understanding of the advantages and disadvantages of each one of these is pertinent to a discussion of employee publications.

Personal Contact: This is an effective means of personnel communication only when the employee group is small enough to be known by their first names. The person making the contact has the opportunity of meeting the employee face-to-face and thus making the most of the personality element in a discussion. Enthusiasts will point out that such contact affords the employee an opportunity of airing personal grievances, of getting direct answers to direct questions and clearing up confused issues.

The practical observer, on the other hand, while appreciating the effectiveness of personal contact, will point out that the average employee is likely to be embarrassed by a face-to-face discussion with a member of top management. He is likely not to ask direct questions from fear of seeming to be ignorant. He will probably quickly forget the pertinent points of the discussion. So, an inarticulate employee will go his way bewildered or resentful, simply because he has not absorbed all of the facts.

Group Meetings: This medium of personnel communication preserves a semblance of the democratic personal approach. Group meetings enable the speaker to address a large number of people at one time and so is effective with larger organizations. Proponents of this means of communication will point out that such meetings encourage discussions on primary issues, bring out the many facets of any single question and make an excellent sounding board for sampling opinions on controversial subjects.

But the observer, while again recognizing the advantages, will point out that such meetings tend to foster the herd instinct, with a few dominant individuals, right or wrong, taking the lead in the discussions. True, lively meetings may be promoted in this way. But these discussions sometimes become involved in a labyrinth of side issues and often are entirely over the heads of average employees. Real issues often are avoided, either deliberately or unintentionally. Finally, after the meeting is over, the employees are likely to go their way with as many different opinions of what the meeting was all about as there are employees.

Both personal contact and group meetings have a diminishing return effect which varies according to the length of time which passes between the contacts or the meetings. Enthusiasm fades as the days go by. Clearcut impressions origi-

nally implanted become confused by differences in opinion as to what was actually said or done. As a result, these forms of communicating personnel policies are not adequate by themselves.

Letters and Memos: These, when personally addressed to each employee, are effective in that the subject matter can be prepared carefully and thus is less likely to be misinterpreted. Letters and memos can be read over until they are thoroughly understood and can be referred to later in case of dispute. They are excellent in supplementing personal contact and group meetings, as a means of communication.

But their effect is lessened by certain disadvantages. Essentially, letters and memos are substitutes for a personal conversation. By relative association in the minds of the employees, they set up a distance barrier which is difficult to hurdle. They surround management with a "far away" atmosphere which sometimes destroys the personal understanding which is sought. Since letters and memos originate with the top authority there is a touch of talking down which is hard to overcome.

Posted Bulletins: These are effective in spreading information quickly and economically. Well-located bulletin boards are usually a center of interest if the subject matter is changed at frequent intervals. Bulletins can be prepared carefully and are designed to reach the greatest number of employees in the shortest space of time.

But bulletins have disadvantages which restrict them to a supplemental role in the communications system. They must be short and interesting if they are to be read at all. They do not reach all of the employees. Bulletins may be read only once and then very casually. If posted too long, bulletins cause the entire board to be ignored. If taken down too quickly, many employees miss the message. The worth of a bulletin varies in direct proportion to the number of employees who read it and how much they remember of the subject matter.

Beware the "Grapevine": While this type of communication is certainly not one to bear the stamp of management approval, it nevertheless exists in greater or lesser degree. The "grapevine" needs little explanation but demands careful consideration. One false rumor can easily become the property of the entire employee organization. So the grapevine must be recognized as a means of communication, if only for control purposes.

Grapevine rumors originate in the lack of proper information and in the misinterpretation of facts. They are nourished by doubts, fears and confused thinking. They are communicated because of a human desire to acquire confidential information and to pass it along with an added personal touch. Rumors can be deadly to the improvement of employer-employee relations, unless the confused thinking and other causes which create them are cleared up.

How can this be done? It has been shown that all of the means of personnel communication so far discussed fail in several respects. These failures may be summarized as follows:

1. Because most employees are reticent, *personal contact* does not bring to light all the facts.
2. The point at issue is often misunderstood in *group meetings*.
3. Resentment at being "talked to" from a distance clouds the sincerity of *letters and memos*.
4. *Posted bulletins* do not reach everyone and may be misinterpreted through careless reading.

It has been the inadequacy of these means which has led to the development of employee publications as a more effective means of personnel communication.[1]

Employee Publications Defined

Three basic types of employee publications have been mentioned: greeting handbooks, supervisor's manuals and employee newspapers or magazines. Employee publications as a group have certain broad advantages over other means of personnel communication. These are:

1. They have a distinct identity which lends *authenticity* to the subject matter.
2. They register a *desired impact* through careful preparation of the subject matter.
3. They produce a *lasting effect* by increasing the receptivity of the employee to the subject matter.

Authenticity is achieved in an employee publication by the air of authority which is acquired through separate binding. Why is this? The answer is that from the time the human mind first learns the ABCs it is conditioned to accept as authentic almost any information that is contained within bound covers or published in a periodical. Common expressions such as, "It must be so, I read it in a (book, newspaper, magazine, etc.)" are typical of this phenomenon.

The authenticity increases with the impressiveness of the production method used. Printed matter is more impressive than mineographed or multigraphed copy. Styling to conform more closely to recognized standards of newspaper, magazine or textbook production increases the association. Use of additional colors, illustrations, type selection and skilled makeup all tend to increase the authenticity of the final product.

Desired Impact can be achieved by careful preparation of the subject matter. Individual or group discussions generally are difficult to control and may stray from a carefully prepared pattern, thus distorting the facts. Letters, memos and bulletins are easier to control because they are prepared in advance. But too often these forms of communication are the result of a one-shot composition with a "once over lightly" proof-reading.

[1] Loudspeaker systems and industrial motion pictures have been omitted purposely from consideration. Speaker systems are usually installed to carry canned or piped music in order to ease working strain. Their use as a communications medium is supplemental and not basic. Motion pictures are mainly a training medium and are essentially visual operating or training manuals. Although sometimes used to illustrate a personnel point they are primarily a part of the production system.

In the preparation of matter to be contained in a separately bound employee publication the production process tends to force more careful preparation. Following a typical pattern the subject matter will be: 1) thought about, 2) composed in a first draft, 3) corrected or revised, 4) submitted to various authorities for criticism, and 5) proof-read before production. Thus, when presented to the employee-reader most of the "bugs" have been removed and the message has a better opportunity to make the desired impact.

Lasting effect is achieved in an employee publication because it makes a deep impression on the employee and consequently he becomes more receptive to further information on the same subject.

A greeting handbook, properly edited, will supply the new employee with basic information about the personnel program. Once the employee has absorbed these facts he will be receptive to more detailed information.

A personnel manual for supervisory employees will supply all department heads with the basic information required to handle personnel administration efficiently. It can be referred to by the supervisor when the employee raises a personal problem. Thus, the employee becomes more receptive to personnel administration within the department. By this means a lasting effect is achieved which results in better supervision, more contented employees, lower labor turnover and increased efficiency.

An employee newspaper or magazine achieves lasting effect through the warm reception which a capably edited publication receives. Critical themes may be approached from different angles in successive issues until the lasting effect is attained.

It has been stated that the broad advantages of employee publications as a group include the authenticity, desired impact and lasting effect of the subject matter. How do the different publications of this group achieve these advantages?

The Employee Handbook

The purpose of the employee handbook is to greet the employee and to supply him with fundamental facts about the company and its policies. In doing this, the handbook helps to bridge the psychological gap between the attitude of a non-employee and an employee The handbook takes the first step towards the improvement of the employer-employee relationship in a far-sighted personnel program.

Greeting: In a small organization it is possible to welcome each new employee personally. This becomes a practical impossibility as the number of employees increases. Who then is to extend the welcome? The employee's supervisor may extend a greeting as far as a particular department is concerned. But is this representative of the entire organization? And who can say that the greeting is adequate or that the desired impact is obtained which will have a lasting effect?

The need for a welcome is apparent from the employee's point of view. He is joining a new organization. What is the organization? What are its rules and

regulations? How can he benefit personally by joining it? Given the correct answers to these and other important questions the new employee will fit into the organization more readily.

A properly prepared handbook can answer these questions and help put the new employee at ease. In taking the place of a personal welcome it encourages him to *feel* that he is appreciated as an individual.

Policies: The handbook will give the employee primary information about the company's policies. It can relate its history and objectives. It can inform the employee of what is expected in the way of business courtesies. It can outline liberties and recreational privileges. It can explain the necessity for certain rules and prohibitions.

Personnelwise, the handbook can supply information about working schedules, seniority rights, pay rates and similar data. It can describe and interpret employee benefits such as insurance, medical attention, suggestion systems, pension plans, personnel counseling and other benefits which are provided by the company.

In carrying out this indoctrination the handbook will be supplying authentic information on these subjects. It prevents hearsay statements, false rumors and other distorted facts from becoming "grapevine" material. The handbook establishes a solid foundation of good will on which a future structure of cooperation and understanding can be built.[2]

The Supervisor's Manual

Once the new employee has become a part of the organization it is essential that his particular problems be handled efficiently. Here again the need for a sound means of communication arises. In all but smaller organizations, the burden of personnel administration is the responsibility of the department supervisor.

In personnel administration the success or failure of the program lies mainly in the point of contact. What happens if the employee gets sick, is injured, fails to report to work, is drafted for military duty, gets called for jury duty, has trouble at home or a host of other things happen to him personnelwise? True, the basic steps for the employee to take may be included in a handbook. But it is the nth degree of optimism to expect each employee to carry a handbook with him always. In the majority of cases the employee simply places his problem in the department supervisor's hands. From that point on the problem becomes a matter of personnel administration and must be handled efficiently for the good of the company and the employee.

If the supervisor ignores or forgets the problem a source of possible future grievance is born. If the problem is mishandled, double work and confusion is created. If the supervisor is in doubt about what to do and is forced to check with

[2] The term "Handbook" is meant to include any type of publication issued to new employees. Many companies use booklets to emphasize particular benefits, such as Pension Plans, Insurance Plans, Credit Unions, etc. Other publications may be used to explain Job Evaluation, Incentive Bonus Plans, Profit Sharing and subjects of a more complicated nature.

the proper authority, valuable time is wasted and his authority is weakened. The supervisor's personnel manual supplies a time-saving means of preventing this inefficiency.

The manual should contain clear-cut instructions on the handling of all employee problems. It should tell the supervisor what to do when an employee is hired, transferred, promoted or released. It should, when the need is evident, tell him how to handle problems relating to hours of work, time-keeping or pay-rates. It should detail the proper procedure in executing routine benefits such as group insurance, hospitalization, vacations, leaves of absence, educational programs and other miscellany. It should include any information which will tend to simplify and expedite the handling of personnel problems within the supervisor's jurisdiction. The supervisor's personnel manual performs many tangible services for the company. These include: 1) removing sources of grievance through proper handling of employees' problems, 2) saving time and labor through the elimination of doubt and confusion, 3) speeding up the routine through outlining the proper procedures, and 4) standardizing the personnel administration operation.

Handbooks help to interpret the personnel program by welcoming the employee to the organization and by supplying him with the correct information on personnel policies. The supervisor's manual supplies a control factor for the personnel program. By preventing most errors of commission or omission in personnel administration it increases the efficiency of supervisors and employees alike. Handbooks and the supervisor's manual produce a *lasting effect* by making a *desired impact* through *authentic* interpretation of the program.

The Employee Newspaper or Magazine

There is a primary difference between the employee publications just mentioned and the newspaper or magazine. Handbooks and manuals are *static*, while newspapers or magazines are *fluid*. A static publication requires one complete editing and then occasional revisions or supplements. Fluid publications are a complete new editorial product with each edition. Herein lies their great value.

The fluidity of the employee periodical permits its use as a continuous means of interpreting the personnel program. Such a publication can be issued weekly, bi-weekly or monthly. It can vary in format according to the publication budget and the frequency of issue. It may be mimeographed, multigraphed, or printed by offset or letterpress. It can be in the form of a tabloid newspaper on newsprint stock, or in magazine form on coated stock with one or more colors.

The editorial policy will differ with the frequency of issue. The weekly or bi-weekly publication can handle subject matter from the news angle. The newspaper format is more suitable for this type as the deadline for last minute copy can be only a day or two before publication. The magazine format is better suited to a

monthly publication. Editorial material must be handled from the feature angle since the deadline is usually several weeks ahead of actual production.

The employee periodical is an excellent means of communication because it is a product by and for the employees, even though the editing may be the work of a trained individual responsible directly to management. A capably edited publication will be awaited as eagerly and read as avidly as the daily newspaper or the weekly magazine. The employee periodical contains subject matter of primary interest to the employee—news and facts about his company, his department and his job. It contains information about the events that affect his welfare and features about people he knows and sees daily.

The employee periodical can be used to improve employer-employee relations in several ways: 1) by the proper interpretation of all changes in basic organization policies, 2) by supplying current news about the company and its products, 3) by humanizing the management of the company, 4) by recognizing individual and group accomplishments, and 5) by explaining the economic facts of life. It can campaign successfully for beneficial causes and against chronic abuses. It can supplement the best personnel program by helping to train, educate, entertain, promote recreational activities and in general cement a closer understanding between employer and employee.

Because of its fluidity and the freshness of each edition and because of its ability to record and interpret the changes which take place in the organization, the employee periodical provides a constant means of producing a *lasting effect* by making a *desired impact* through *authentic* interpretation of the personnel program.

Conclusion

These major points have been brought out in the relationship which an adequate line of communications bears to the success of a sound personnel program:

1. A well-planned program should include not only *methods* of improving employer-employee relations, but also the *means* by which these methods are communicated to the employee.

2. The primary means of communication include personal contact, group meetings, letters and memos, posted bulletins, the "grapevine" and employee publications.

3. The advantage of employee publications lies in their capacity to produce a *lasting effect* by making a *desired impact* through *authentic* interpretation of the personnel program.

An English view of some of the social factors which should be considered in a sound policy of personnel administration in industry

Social Factors *in* Industrial Personnel Management

By D. F. Hutchinson, Wallington, Surrey, England

Enlightened managements who encourage the growth of the personnel function are not sufficiently clear in their minds as to what are its final objectives. That some personnel managers are in the same category is not such a serious condition. This happens in most professions. One must have a clear idea of what is, in theory at any rate, a correct and ideal position. An objective must be kept constantly in mind so that everything that is done—tempered with expediency, moderation and the practical implications of any given situation—is done to bring the objective nearer to achievement. Too many people are concerned with methods and statistics; all of which are necessary but which, after all, are only a means to an end. If you are not clear about the ends you sometimes find yourself lost in the means. It seems to me, therefore, the following are objectives not sufficiently stressed, with comments of some methods necessary to attain each one:—

Objective (1)

The most effective use of available manpower.

Means

This is a short sentence but the means of achieving it are too numerous to mention and cover a very wide field indeed. They include, naturally, recruitment, selection, placement, training, transferring, upgrading, job analysis, statistics, welfare and, in fact, practically the entire gamut of the work, and are already widely publicised in many excellent documents. Unfortunately, much of the personnel work today ends with the means to achieve this objective.

Objective (2)

The encouragement and training of all supervisory levels in an endeavour to give them the utmost support in the execution of their duties.

Means

Special emphasis on the training of supervisors, not only to do their job but to *understand* where their function begins and ends and why they have to conform to a general pattern. It requires specific attention on the part of management to the personnel function in particular, in order to convince supervisors that it is their job to practice personnel management and not to pass that job on to the Personnel Department. Personnel Departments have to be very careful that they remain in the background and refrain from seeking power or gaining credit. They should influence only and never lay down the law. They interpret management policy and endeavour to see that others carry it out. The only exception to this rule is in the matter of grievance appeals, where the employee may feel justice has not been done. Even in the matter of justice Personnel Departments should not be too noticeable. Miss Mayo carefully outlines this distinction in her comparison with the experiments in the social state where the administrative and judicial functions are kept separate from the legislative. In other words, the individual employee must have the right of appeal, with the knowledge that his superiors, in carrying out their managerial function, do not do so in a dictatorial manner; that is, that they do not first set the rules, then judge offenders and finally apply penalties.

Objective (3)

The encouragement of any means which develops a sense of the identity of purpose amongst all levels of staff and management, insofar as the social necessity of production to meet the community's needs is concerned.

Means

This particular principle has been the subject of a heated controversy for many years. The position is confused by some of the protagonists saying that everything is either black or white. There is, of course, some identity of purpose between employees and managements just as there is also some difference of purpose. It is not a case of one *or* the other. In the matter of the relative share in the mythical cake there is a divergence of purpose. Managements and representatives of employees will, of course, be pulling in opposite directions on many occasions. It is still true, nevertheless, that the underlying purpose of industry is the necessity of producing, as without production no modern industrial state could survive for long. This must be done in a cooperative manner if we are to maintain our present standard of living and, furthermore, it must be done by methods of increasing rather than reducing mass production. In the final objective, therefore, there is identity of purpose although to overcome prejudice and suspicion requires a long term policy applied with the utmost patience. Quick results are not likely to be achieved and it is in this that many personnel departments fail in not seeing far enough ahead and taking steps to create a situation which would result in a large proportion of any given population appreciating both the identity of purpose and the divergence on a particular point.

Objective (4)

The encouragement of the growth of organisation amongst all employees so that they can have a democratic say in how they perform their contribution to the industrial task. This must be done with great care to ensure that such organisations do not become vested interests.

Means

In order to face this particular objective one must first answer the question "Are organisations, such as Trade Unions, likely to stay and is it desirable they should stay?" In my own mind, there is not the slightest doubt that some form of organisation is both desirable and necessary. Anyone who has made a study of the development of our democratic state knows that masses of human beings only achieve ends through organisation and representation. It is not good enough merely to point out the reactionary attitude of trade unions or of the Trades Union Congress, and the fact that in many cases they have acted as vested interests and contrary to the interests of society. Managements must encourage their growth, although fighting against an undemocratic principle of the closed shop, and consult with them in such a way that their representatives are treated with respect and dignity. The chance is then greater that these representatives will realise clearly what their function is. In other words, consultation with Shop Stewards may be advisory in theory but in practice it should be executive. Both parties, that is, representatives of employees and managements, are in the early stages of experimentation and are essentially learners during what I hope is a stage of industrial transition, little short of revolutionary. One cannot be dogmatic or final in opinions of results.

There is no doubt in my mind that organisations such as, say, the T. U. C. must in some way be broken without weakening the power of the movement itself and this can perhaps be done through the encouragement of a free and independent growth of the trade union movement within the factory, thus encouraging more sense of responsibility to the real aims of the persons whom they represent. "Unofficial strike" is a meaningless sort of term and only proves that the leaders are totally out of touch with the rank and file. The answer then is joint consultation at all levels, especially at the factory floor.

Objective (5)

The encouragement of any reasonable factor which causes an industrial community, including management and employees, to realise that the reason for the existence of industry is to serve the community.

Means

This surely is the prime reason for an industry's existence although it is not given sufficient weight in the minds of the participants. As this grows gradually, managements, owners and workers alike will see that their own particular interests,

though they must be protected, will only be possible so long as the over-riding interest of the community is maintained. Therefore, profits should tend to become reasonable, wages likewise, and the tendency to produce unnecessary products be reduced. This is a gradual development but very necessary if the democratic form of society is to continue to survive. If the importance of this fact is realised by all parties they will see that it is in their own interest to keep constantly in mind the real purpose of producing. Proof of this was self-evident during the war and I believe is spreading more rapidly today than at any time in our past history.

How does the Personnel Department achieve all this? By using a method unfortunately called the Works Relations Department, not as a propaganda medium in its poorer and more popular connotation, but by genuine information services. Telling people in advance, for one thing. Information is so difficult to get over in sufficient detail to be read. Some form of newspaper is required, but not the cheap form of journalistic effort so common in Works Magazines. It must be up to the minute, topical, and not just the management telling its employees. It must be divorced from direct management control and although a dangerous weapon its use is absolutely vital. Not much is achieved by sitting on the fence.

This is not the whole story but it will indicate the principles involved in achieving Objective (5).

Objective (6)

At all times to bring the human factor to the attention of management, so that efforts to establish efficiency do not, in fact, lead to a furtherance of bureaucracy.

Means

Too many people when bearing this objective in mind lay undue stress on the sentimental aspect or on the christian ethics involved. While not belittling the importance of either, more progress will be achieved if constant pressure is brought on the point that this is a factor vitally necessary to consider in the interests of efficiency. So many paper schemes, which are correct in theory, fall down because we do not give sufficient weight to the fact that human beings make mistakes and that it takes time and requires specialists to assist in interpreting instructions, rules and regulations. We should pay far more attention to the principles and reasons for orders and instructions and encourage the individuals to apply their own responsibility in maintaining them. More mistakes are made by human beings through errors in omission than through errors of commission. The contrary opinion is most commonly held. Every new regulation, therefore, has to balance up the theoretical efficiency with the possible practical application. In our industries, in order to get efficient and unified methods, centralised control has been instituted with, of course, the corollary that bureaucracy becomes rampant. In a nutshell, create situations which make trust and faith pay. It does pay and it can work. It is one of the best methods of enabling a large concern to cut out unnecessary paper work.

Objective (7)

To be responsible for supplying information both to management and workers of such social developments which particularly affect the human factor as are taking place in the outside community, whether that be locally, nationally, or internationally.

Means

Since a factory is a community and far from being a simple community, it therefore contains within it conditions which create difficulties, suspicions and misunderstandings. Would it not be wise, therefore, to look outside such a community to see how similar suspicions, distrusts and misunderstandings have been overcome? In other words, the struggles, successes and disappointments of previous generations, if they have done nothing else, have given humanity certain principles so that in the running of our affairs we get the maximum standard of living side by side with the maximum human happiness. Few people would question that in our form of democracy we have at least maintained more individual freedom, more certainly of the spirit, than any other form of social collaboration elsewhere apparent. Is it not possible, therefore, that by studying the history we can shorten the empirical period in complex industrial organisations about which so little is really known, and apply the same principles so that we can have the maximum efficiency with the minimum of friction and with a greater degree of spiritual freedom than, unfortunately, exists in most large concerns today? Miss Mayo pointed the way in an excellent article published in "Aircraft Production" in July 1946, laying particular stress on the segregation of the administrative and judicial function from the legislative. If factory managers would make this analogy between society in its wider form to the narrower community of factory life, we might more easily appreciate the cause of certain difficulties in relationships within a particular factory. This then is a major objective for Personnel Departments.

Summing Up

The great problem facing us, both in factories and in our national organisation, is how within the growing complexity of modern life to hang on to the freedom of spirit and encourage individual initiative, maintaining and improving our standard of living with the ever growing volume of paper work and the frustrating growth of bureaucracy Surely there is hope in concentrating more on objectives and principles and less on the similarity of detail so that individual responsibility will grow. This principle is to be found in the simple and practical application stressed over and over again in the Training Within Industry program, thus creating circumstances which encourage the good in man rather than allowing conditions that mitigate against the growth of the altruistic outlook which, in young people particularly, is almost universally apparent. It seems that we are constantly

allowing a set-up which encourages the selfish motive to flourish. In fact, to many it seems that unless they adopt this selfish principle—in which they do not believe—their lot in life will be sordid, narrow and barren. Communities are happiest where co-operation is natural, unforced and taken for granted. It is not an easy task, but mankind would not have got as far as it has if it had not overcome even more difficult problems. It is imperative we get and keep our objectives clearer in mind and do not pay undue attention to those objectives which get quick and easy results. It is by paying attention to the quick and easy result method that so many of our present day problems are now overwhelming us. As someone recently said "If we continue to give people carrots we cannot complain if we get a nation of donkeys."

These principles, I am sure, apply not only to large factories but to communities and even to nations; which, after all, are only bigger and more complicated communities. In our present decade, to stop short with the nation as the final community, is likely to prove a suicidal policy.

Merit rating procedures of 125 companies were studied and most of them were found to be subject to several basic errors.

Some Common Errors *in* Employee Merit Rating Practices

By Walter R. Mahler, Columbia University

Keeping up with the Jones may not always be the soundest procedure to follow in developing a personnel program. It is natural, however, that keeping track of the Jones is a continued source of interest and occupies a large part of the research activities of many companies. Surveys of current practice are worth making provided the survey is a critical one and the results are adapted to meet the specific needs of the individual company.

The purpose of this survey is to determine some of the current practices in employee rating plans and to call attention to the most common pitfalls. The companies surveyed are by no means a random sampling of all enterprises in the United States. The findings are limited to the 125 companies surveyed. It is likely that the results are representative as they follow the same general pattern shown in previous employee rating surveys.

Types of Plans

The popularity of the rating scale continues, as is amply demonstrated by Table I.

Table I. Types of Rating Plans

Type of Plan	Number of Companies
Scale method	106
Check list method	12
Ranking, grading or a combination	7
	125

Factor of Traits

A wide diversity in terminology was anticipated. It was astonishing, though, to discover a total of 131 different traits. This constituted a new trait for each of

the 132 scales analyzed. The number of traits might have been higher but several traits of a closely related nature were combined. There is still considerable overlapping of meaning and in some instances, due to the lack of definition, no definition meaning is apparent.

In order that the personnel executive may make more adequate comparisons of his plans with prevailing practice the results have been presented under four major headings:

Wage—often called hourly-paid employees, or production employees.

Salary—often called non-exempt, clerical, or non-supervisory employees.

Supervisory—includes executives and supervisors, sometimes called exempt employees.

General—those plans not specifically designated for one group of employees or those used for two or more of the above groups.

Number of Traits

If variety is the spice of life, then our rating practice should be alive and stimulating, for the number of traits used varies from 1 to 33. The average number of traits used varies with the major groups. The average for wage groups is approximately 8, salary is 9, supervisory is 12 and general is 9.

Number of Degrees

The pattern is not quite so varied when considering the number of degrees usually allowed for raters to use in indicating judgments. The practice varies from 3 to 16, with some companies using different degrees for different traits.

A Pattern But Not a Blueprint

If any virtue lies in considering the pattern of present practice in employee rating as indicating the correct thing to do, the above survey may serve as a guide. It is quite doubtful, however, that there is virtue in attempting to fit an employee rating plan to the average or prevailing pattern. The information in this survey is only suggestive. It is evident that variation is the most outstanding feature. Personnel executives have, and should take, considerable leeway in adapting these findings to their particular needs.

Common Pitfalls

The seeming simplicity of the rating scale attracts the busy personnel executive and the busy supervisor as well. This survey finds that the full benefits of the rating scale plan are seldom realized due to the following common pitfalls:

1. Traits are not described in definite, simple, unambiguous language.
2. Traits do not refer to a single type of activity or to the results of a single type of activity.

Table II. Frequency of Factors in 132 Rating Scales Used in 106 Organizations

Factor	Wage	Salary	Supervision	General	Total
1. Quantity of Work	36	17	10	15	78
2. Quality of Work	34	15	11	15	75
3. Knowledge of Job	22	12	24	10	68
4. Dependability (Reliability)	25	15	17	10	67
5. Cooperativeness	23	13	18	11	65
6. Initiative (Resourcefulness)	18	15	21	7	61
7. Adaptability (Flexibility)	19	8	6	8	41
8. Ability to Learn	14	12	3	6	35
9. Industry (Application to Work)	14	8	4	8	34
10. Judgment	5	7	17	4	33
11. Attendance (Punctuality)	15	10	2	5	32
12. Personality (Personal Qualities)	6	7	13	4	30
13. Leadership	6	3	18	3	30
14. Planning & Organizing Ability	2	2	20	3	27
15. Accuracy	10	7	4	5	26
16. Overall Performance	9	5	7	3	24
17. Attitude (Toward Job)	13	2	4	4	23
18. Speed (Promptness in Work)	5	9	3	6	23
19. Health (Physical Qualifications)	7	2	8	5	22
20. Safety Habits (Attitude toward)	13	2	5	1	21
21. Appearance	4	6	5	4	19
22. Capacity for Advancement	7	6	3	3	19
23. Training (Developing) Employees			14		14
24. Cost Consciousness (Control)	1	2	11		14
25. Acceptance of Responsibility	2	3	5	3	13
26. Care of Materials and Tools	8	2	1	1	12
27. Supervision Required	3	5		3	11
28. Job Conduct (Behavior)	7		4		11
29. Mentality (Intelligence)		1	5	4	10
30. Ability to Work with Others	4	4	2		10
31. Loyalty	3	2	3	1	9
32. Tact	1	2	6		9
33. Character	3	1	4	1	9
34. Analytic Ability	2	2	4		8
35. Ability to Make Decisions		1	3	4	8
36. Ability to Get Things Done			6	1	7
37. Interest in Work	2	2	1	2	7
38. Thoroughness	1	4	1	1	7
39. Good Housekeeping	3	2	2		7
40. Vision	1		5		6
41. Neatness and Orderliness—Work	1	2	1	2	6
42. Emotional Stability		1	4		5
43. Executive Ability (Supervisory)			3	2	5
44. Attitude toward Company		2	2	1	5
45. Ability to Delegate Work	1	1	4		4
46. Expression	1	2	2	1	4
47. Temperament (Disposition)					4
48. Employee Relations	1	1	4	1	4
49. Attitude of Others to Him	1	2	1	1	4
50. Ability to Get Along with Others					4

Factor	Wage	Salary	Supervision	General	Total
51. Suggestions	1	1	1	1	4
52. Length of Service	3	1			4
53. Educational Background		2	1		3
54. Improve Methods			3		3
55. Experience		1	2		3
56. General Company Information		1	2		3
57. Proper Assignment of Personnel			3		3
58. Willingness to Stand by Decisions			3		3
59. Manners			3		3
60. Follows Through on Jobs		1	1	1	3
61. Ability to Inspire People			3		3
62. Maintenance of Discipline			3		3
63. Efficiency	2		1		3
64. Trustworthiness	1		2		3
65. Ability to Handle Job	2	1			3
66. Enthusiasm	1		2		3
67. Attitude toward fellow workers		1	1	1	3
68. Observes Regulations	1	1			2
69. Skill in Performing Duties		1	1		2
70. Fairness			2		2
71. Budget Accomplishment			2		2
72. Conditions of Department			2		2
73. Handling People			2		2
74. Dependents	2				2
75. Marital Status	2				2
76. Integrity			2		2
77. Personal Habits	1			1	2
78. Opinion of Self	1	1			2
79. Public Relations			1	1	2
80. Creative Ability			2		2
81. Ability to Instruct			2		2
82. Knowledge and Application of Union Contract			2		2
83. Knowledge and Application of Company Policies			2		2
84. Handling Grievances			2		2
85. Knowledge of Time Study Fundamentals			2		2
86. Selling of Time Studies			2		2
87. Attitude toward customers		2			2
88. Attitude toward people supervised			2		2
89. Understanding of Payment Methods			2		2
90. Self control			2		2
91. Energy	1		1		2
92. Productivity (output)	2				2
93. Motivation			2		2
94. Ability to Profit by Criticism	1	1			2
95. Follows direction				2	2
96. Relations with Other Workers	2				2
97. Citizenship	1				1
98. Work Methods		1			1
99. Self Reliance			1		1
100. Coordination			1		1

Table II—*Concluded*

Factor	Wage	Salary	Supervision	General	Total
101. Style Appreciation			1		1
102. Quality Appreciation			1		1
103. Volume Mindedness			1		1
104. Profit Mindedness			1		1
105. Promotion Mindedness			1		1
106. Sociability			1		1
107. Department Manuals			1		1
108. Keeping Department Records			1		1
109. Application of Legislation			1		1
110. Knowledge of Shop Mathematics			1		1
111. Open-mindedness			1		1
112. Foresight			1		1
113. Reasoning Power			1		1
114. Power of Observation			1		1
115. Commercial Ability		1			1
116. Cash Practice		1			1
117. Physical and Mental Endurance			1		1
118. Workmanship				1	1
119. Willingness to Learn	1				1
120. Ability to Handle Public				1	1
121. Availability				1	1
122. Proficiency				1	1
123. Effectiveness				1	1
124. Motivation				1	1
125. Compatability			1		1
126. Morale Building			1		1
127. Mechanical Ability				1	1
128. Use of Authority				1	1
129. Interest in Self Improvement				1	1
130. Interest in Community Affairs				1	1
131. Accident Record	1				1

3. Traits are often a composite of a number of factors which vary independently. For example: "judgment and self-control", versatility and general knowledge."
4. Frequent use is still made of general terms, such as, very good, below average, excellent, inferior. This is true in about half of the cases with a few companies providing detailed descriptions or standards of performance as a guide to the rater in making his decisions.
5. Traits are included upon which reliable or more objective data is obtainable. Many scales include references to health and attendance when medical and payroll or attendance records would provide the actual facts.

TABLE III. NUMBER OF TRAITS PER SCALE

Number of Traits	Wage	Salary	Supervision	General	Total
1	1				1
2					0
3	2	1	1		4
4	2			1	3
5	5	1	1	2	9
6	13	3	1	6	23
7	5	3	1	1	10
8	4	6	2	3	15
9	7	2	1	2	12
10	6	3	7	4	20
11	3	4	2	2	11
12	2	1	3	1	7
13		1			1
14					0
15		1	2	1	4
16	1			1	2
17		1	2		3
18			1		1
19		1	2		3
22	1				1
30			1		1
33			1		1
Total	52	28	30	22	132

TABLE IV. NUMBER OF DEGREES

Number	Wage	Salary	Supervision	General	Total
3	4	2			6
4	12	6	8	7	33
5	14	11	15	9	49
6	3	1	2		6
7	1	2		1	4
8	3	1		2	6
9				2	2
10	4	3	5		12
11	1	2			3
12	1				1
16	1			1	2
Varied	8				8
Total	52	28	30	28	132

6. Raters are asked to rate on traits which are not observable in the work performance of the employee. How could the rater more than guess, in most cases, when asked to rate employees on moral character or interest in community affairs?

7. In more than eighty percent of the companies recognition is not given to the fact that traits are not necessarily weighted in the way intended when a predetermined set of maximum values are assigned to each trait. In combining rating points the scores weight themselves automatically in proportion to their respective variabilities.
8. The recommended practice of rating all employees in a group upon one trait at a time is seldom practiced. Only five companies have designed a rating form to facilitate this procedure, others merely instruct the rater to follow such a procedure.
9. An excessive number of traits is used on many forms. When consideration is given to the "halo effect" so likely to be present in rating scales and to the results of factor analyses showing that two or three primary factors account for most of the variation among the employees rated, it is not only impractical but also unwise to rate on more than seven to ten traits. Companies desiring to consider many varied aspects of performance should consider the check list approach.
10. Rating plans cover too wide a range of jobs of different levels of skill and responsibility, as evidenced by the large number of scales classified as general. Many companies add one or two traits to a form and call it a supervisory rating scale. A scale must be very general to cover such a range. This allows for wide divergency in interpretation on the part of individual raters, thus weakening the reliance which can be placed upon the rating results.
11. Numerical scores are used without qualification. Numerical scores alone are dangerous to use as a basis for making personnel decisions since two employees may have the same total score and yet have entirely different work characteristics. In addition, each numerical rating is subject to a margin of error. This margin is extremely large in some cases, so that numerical scores should really be thought of as a range rather than a point. It must be recognized that numerical equivalents in recording ratings are essentially a convenience from an administrative point of view.
12. Rating forms provide little space for recording additional points to amplify the ratings. Justifications by specific illustrations of behavior on which the judgment was based are infrequently requested. In some cases no space at all is provided for additional comments.

It may be true that any formalized rating plan is better than none at all but it is difficult to believe when some company plans are guilty on all 12 points above. It is important that the personnel executive evaluate his employee rating plans once in a while against theoretical rules, prevailing practice and above all, against the objective for which the plan was originally established.

It would be well for managers and personnel people to review occasionally the content of an adequate training program. Here is a convenient outline of such a program.

Outline *of* a Complete Training Program

By Howard P. Mold, Industrial Relations Department, The Mead Corporation

In many large organizations today training is being conducted throughout the corporate structure, from top to bottom. The following is an outline of certain areas of the typical corporation in which training may be expected to play an important part. In the case of the multi-plant corporation, detailed plans should be worked out for each separate plant.

Two important things to be emphasized in any industrial training program are (1) the need for recognition and approval of those areas where training is needed and (2) the specification of training objectives.

In addition there is the need for unification of all training into a single master plan. Piece-meal training may lead to inferior results because of lack of a common goal. This singleness of purpose is of fundamental importance in industrial training.

General Outline of the Plan

The following types of training are considered to be necessary to a well-rounded program.

1. Employee orientation training
2. Specialized department training
3. Pre-foremanship training
4. Foreman training
5. Personnel training
6. Engineer training
7. Junior executive training
8. Executive training

Formalizing the instructional methods in each segment should not be considered too important. Rather the recognition of needs and singleness of purpose are the basic considerations. Rigid classification of employees for training purposes should also be avoided. There is no reason, for example, why key foremen may not be classified for purposes of training as junior executives as well as being classi-

fied as foremen. Thus they can be trained for present jobs as well as for promotional opportunities.

Objectives of the Plan

The typical American corporation has, for many years, been a vital part of our social structure. It exerts considerable influence on our community and national life. If our system of capitalistic democracy is to perpetuate itself under present world trends toward national socialism, its training objectives must be such as will provide a public service as well as increased benefits to private ownership. The following objectives are listed with these things in mind. The purposes of the training program are:

1. To improve Human Relations in The Corporation
2. To increase the efficiency of the work force
3. To provide qualified personnel for promotional vacancies and transfers
4. To increase employee morale
   a) By a process of education
   b) By providing opportunities for individual improvement and advancement
5. To provide additional channels for constant review and evaluation of organization policies and practices
6. To combat anti-democratic propaganda by presenting accurate descriptions of modern industrial practices

Some Training Areas for Each Part of the Plan

We have already listed eight areas in which the corporation may well engage in training. At this point it might be well to expand a little regarding each of these areas.

1) *Employee orientation training.* In many organizations employee orientation is neglected. Many an employee has no complete knowledge of the products of his company, who the head of the company is, nor of many of the other pertinent facts which would give him a "feeling of belonging." The military services in the recent war learned the necessity of a continuing program of education for all its members so that they might identify themselves as members of a common group with common purposes. The results from a program of this type are somewhat intangible but its value to the company is very real. Several organizations have found that it has contributed greatly to a reduction of employee turn-over. Orientational training may well cover the following:

a) The history of the Company
b) Company organization
c) Local plant organization
d) Basic processes of company production
e) Personnel Department functions
f) Medical Department and First Aid
g) Safety
h) Employee benefit programs

2) *Specialized department training.* Some parts of any program are visible only from the lower levels of an organization. Unless some comprehensive program of job evaluation, testing, and job analysis is in use, it is doubtful if all training needs can be made visible from top levels. Such subjects as blueprint reading, drawing and specialized clerical training, may be taught as thought necessary or desirable by each department.

3) *Pre-foremanship training.* The general subject of supervisory training has been comprehensively discussed in many articles in current literature. Many valuable texts are available on this subject. Most indicate that there are probably three general areas in which training should take place for pre-foreman study. These are (1) local plant organization (2) advanced study of the company's industrial processes, and (3) foremanship. This latter subject is usually less adequately treated in training than either of the other two. To the author, it seems as though there are about eighteen general areas which should be considered for training under pre-foremanship. These are:

1) The foreman and his job
2) Characteristics of a successful supervisor
3) Industrial organization
4) Department managership
5) Selection and training of workers
6) Worker-foreman relationship
7) Development of worker alternates
8) Job efficiency
9) Safety
10) Costs and budgets
11) Planning
12) Morale
13) Promotion, demotion, transfer
14) Labor organization
15) Personal insight
16) Corporate policies
17) Self-improvement
18) Relationship with Management

4) *Foreman training.* Foreman training should include such subjects as have not been previously covered by the pre-foremanship or other training. This will obviously necessitate the individualization of the foreman training to a relatively high degree. It may also be necessary to provide specialized individual training for key foremen in preparation for promotion. In any case, supervisory training is probably the keystone of the company training program.

5) *Personnel training.* In the case of the multi-plant corporation, a "personnel training" program is a must. The plant personnel department will probably be the unit which exercises training supervision for each plant. In far too many cases the personnel department in an individual plant is a composite of safety directors,

timekeepers, insurance personnel, and clerical help, who have come up through the ranks with little or no training in personnel work. Each plant personnel department should be subject to continuous in-service training. The very minimum should certainly be a program of directed study of personnel topics for the plant personnel directors.

6) *Engineer training.* Engineer training is of paramount importance. In many of our modern organizations, only engineers can rise to top executive positions because of the need there for technical and operational experience. Too often these men lack training in administration, economics, psychology, personnel practices, labor relations, and other important subjects. Even though an engineer is proficient in his own field, it may be necessary for him to acquire specialized operational knowledge of the company's processes and products. Some areas in which engineer training may be conducted are:

1) Current advances in science
2) Psychology
3) Cost accounting
4) Labor Law
5) Employee supervision

7) *Junior executive training.* One of the most neglected areas of training is that of the junior executive. These men, usually considered for top promotion, are too frequently left to their own resources for training. Some subject matter areas in which they should receive training are:

1) History of the corporation
2) Organization plan
3) Financial structure
4) The industry
5) Basic processes of the company's production
6) Purchase and control of basic raw materials
7) Accounting procedures
8) Sales
9) Corporate products
10) Employee policies
11) Corporation policies
12) Public relations
13) Government regulations
14) Human relations
15) Training
16) Planning and expansion
17) Quality control—Sales service
18) Public welfare and corporation policies
19) Plant administration
20) Employee services, insurance, pension plan, etc.

Of all the training areas, that of the junior executive is most susceptible to the informal type of teaching. Many organizations utilize their specialists and top executives to give bi-monthly or weekly talks on topics of current interest. This has an additional value of making the junior executive feel that he is an integral and important part of the organization.

8) *Executive training.* Many organizations today spend considerable time and effort on training their hourly paid employees, while a small amount of training for top executives might save the organization considerable sums of money. Any training of top executives must, of course, be a function of the head of the organization. It may be necessary to call in specialists from various subject areas to give the training. In any case, the method is far less important than the realization of the need and the "doing something about it." Consideration may well be given to some, or all of the following areas for executive training.

1) Psychology of the worker
2) Modern industrial organization
3) Cost accounting
4) Governmental regulations
5) Modern Labor movements
6) Collective bargaining
7) Labor Law
8) Scientific research progress
9) Economic philosophies
10) Personnel practices
11) Public administration
12) Federal and local taxation
13) International politics
14) Marketing
15) Purchasing

Organization for Training

A plan for training as comprehensive as this requires adequate organization. It can be successful only if it meets the requirements of good line and staff organization.

Assuming that from a production point of view the corporation operates on a decentralized basis, then the training must be conducted on a decentralized basis. Each plant will run its own training program and utilize the corporation training director as a specialist consultant. The corporation head will use his training director as a staff assistant for recommendations and general supervision of all training.

The amount of flexibility in each plant's training will follow the amount of authority possessed by each plant manager. Centralized control of training may have the advantage of economy of time and standardization but it will also lack the desired element of being "tailor made."

Letters to the Editor

Editor, Personnel Journal

Your recent article "Professor in Error," discussing E. W. Bakke's pamphlet "Mutual Survival," was timely.

Professor Bakke *is* simply reiterating the Marxian hypothesis that class warfare is inevitable; that a free competitive and cooperative economy is impossible. He implies strongly that we must eventually arrive at a sort of corporate state type of union-management relation that "shares the sovereignty."

One point that impressed me particularly in reading Dr. Bakke's book was his attempt to generalize about union-management relationships. It seems to me that diversity in points of view is a salient charactership of this relationship. Some managements resist unionization definitely and vigorously today. Other managements accept the union as necessary and try to keep their relations on a minimum basis without any attempt to reject the union. Still other management groups enter into what is tantamount to a conspiracy with the union for the purpose of restricting competition in the industry or for the purpose of coercing employees.

A small company in Detroit gave one of the biggest and toughest unions a closed-shop contract with a check-off. In return, the union deals in a summary fashion with absenteeism and would-be "trouble-makers." On the other side of the situation, some unions like the UAW and Brotherhoods make a fetish of seniority, while the garment trade and building trade unions have little seniority. Some unions, like the UAW, have rejected incentive pay systems or piece-price systems. Other unions, like the garment trades, encourage payment-by-results. Some unions are interested entirely in the economic gains of their members, while others have, in addition, broad revolutionary programs for re-organizing society. Some unions attempt to help employers raise prices, while other unions believe they have a responsibility not only to push up wages but to push down the price of the product they make. Some unions have secret elections in which there is real political competition, while other unions are tight-knit dictatorships in which the rank and file have practically no voice in selecting the leaders.

There is a tremendous diversity in attitudes on the part of both labor and management. It seems to me that any attempts to generalize without indicating the diversity of this relationship is naive. In reading Dr. Bakke's booklet, I find little recognition of the existence of these diversities—much less their importance.

In the second paragraph on page 80, Dr. Bakke goes on in his discussion of the basic issue to imply that the individual must stop struggling for his own survival. On the contrary, we must assume that all individuals and organizations will continue to struggle for survival. Only in the totalitarian state can individual drive for survival be liquidated in the name of declared social objectives.

Further on in the same paragraph, he says that "Sovereignty in a Democracy must be shared." This seems to me like a wax poker. There can be no sovereignty in a democracy. The pattern of democratic action must be one of voluntary association between customers, investors, and workers and management, with any individual free to withdraw at any time. One must admit that compulsory unionization under the law as it is now administered frequently results in the sovereign-like rule of union officialdom over subject members. It seems to me that this completely contradicts our philosophy of democratic organization. We must find some way to avoid "sovereignty." Sharing of sovereignty again implies the corporate state or the big labor-management cartel to which individual workers are bound.

Again I want to thank you for your clear-cut comment on "Mutual Survival."

ANDREW T. COURT
General Motors Corp.
March 17, 1947

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, Edward N. Hay   Secretary, D. D. Hay

Volume 26 *Number 3*

Contents for September 1947

Edward N. Hay, *Editor*

D. M. Drain, *Circulation Manager*

The Will of the People in Labor Legislation

Back in the early 1930s, business leaders generally, and some in particular, were the object of severe condemnation on the part of the American people. This condemnation arose from the belief that leaders in high places had betrayed their trust and abused their power. Action based on this belief added to the laws of the land the Securites Act of 1933, and the National Labor Relations Act of 1935. These acts and the philosophy behind them were immensely popular, primarily because they put emphasis upon integrity in financial affairs and democracy in human relations. Their sponsors spoke a language that the masses of wage earners understood and liked.

This philosophy and legislation produced from many leaders of business and their accredited organizations expressions of revolt and disregard and threats of disaster. But, over the years the impact of this philosophy and legislation persuaded business leaders to proclaim a policy of social responsibility and to do a better job of human relations. As a consequence they have been regaining some of their lost prestige and getting back into the good graces of the public.

While these changes were taking place another group of leaders, encouraged by labor legislation and a political alliance with the federal administration, rose to power and proceeded to duplicate the mistakes committed by the business leaders only a decade before. So, in the early 1940s the leaders of organized labor generally, and some in particular, became the object of the American people's condemnation. Once again, abuse of power and disregard of the public welfare were the causes of this condemnation.

When the conscience of leaders does not impel them to act voluntarily in the public interest the compulsion of law is invoked by the people. That is the primary historical and social significance of the Labor-Management Act of 1947.

The reaction of leaders of organized labor to this expressed will of the people is similar to that of the other group of leaders back in the 1930s. Defiance of the law, threats of reprisals, emotional outbursts and distortion of facts characterize much of the labor press and the oral exhortations emanating from high places in union labor. Perhaps it is too much to expect that labor leaders in the '40s will be wiser than business leaders were in the '30s; but certainly the handwriting is on the wall for all to read.

A Congress that refused to be coerced or intimidated by an unprecedented avalanche of persistent pressure, that approved and reapproved by large majorities a law to which months of painstaking effort was devoted, knew beyond a shadow of doubt that they were expressing the prevailing sentiment of the voters.

By profiting from rather than repeating the mistakes of their counterparts on the other side of the bargaining table union leaders can regain the public support they enjoyed ten years ago and can secure better labor legislation. However, as recent history so clearly shows, they cannot achieve either one of those goals without

a decided change in both their practice and philosophy of personnel and public relations.

The people of this country do not long tolerate the autocratic domination of the many by the few!

TOM SPATES.

Wildcat Strikes

IT WILL be interesting to see how effective the new Taft-Hartley labor law proves to be in reducing the number of irresponsible actions committed by labor. The more experienced labor leaders have always sought to prevent any acts by labor that were not in harmony with the provisions of the agreements to which they were a party. An order just issued by the International Association of Machinists, the largest independent labor union, indicates their intention to prevent unauthorized strikes by their members. The reason for this decision by the executive council, said Harvey W. Brown IAM President, was "to protect the membership from penalties incorporated in the Taft-Hartley labor law," which provides that employers may sue unions for damages for violations of contract.

This attitude by heads of an important labor organization is in contrast to the acts and threats of other prominent union leaders. The May and June issues of PERSONNEL JOURNAL carried articles on unauthorized stoppages, or "wildcat strikes," in which it was pointed out that management can exercise great influence in avoiding such strikes by giving prompt attention to seemingly minor events. In particular, one article urges management to provide an adequate and carefully administered grievance procedure in order that any unhealthy situation causing worker irritation may be brought to light promptly and corrected. There is no doubt that management, as much as labor, can contribute to a period of industrial peace under the new labor law.

Voluntary Versus Compulsory Arbitration

THERE is much food for thought in Dr. Taylor's article in this issue of PERSONNEL JOURNAL, particularly in his suggestion that labor agreements should contain provision for voluntary arbitration on specific points. His views are in sharp and interesting contrast to those of advocates of compulsory arbitration. New Zealand's unhappy experience should not be overlooked by anyone interested in the subject, particularly lawmakers. Leonard Cohen told the history of "Compulsory Arbitration In New Zealand" in the March issue of PERSONNEL JOURNAL.

Conference Calendar

September

18–20 Los Angeles, Hotel Biltmore.
National Association of Foremen. 24th Annual Convention. Ken Wells, Director of Publicity.

28 Hartford, Conn., Bond Hotel.
Society for the Advancement of Management. 2nd Annual Management Conference.

25 New York City, Waldorf-Astoria Hotel.
National Industrial Conference Board. S. Avery Raube, 247 Park Avenue, New York, 17, N. Y.

October

2–3 New York City, Hotel Pennsylvania.
American Management Association, Personnel Conference. James O. Rice, Manager, 330 West 42nd St., New York, 18, N. Y.

6–10 Chicago, Stevens Hotel.
National Safety Congress and Exposition. Ned H. Dearborn, President, 20 North Wacker Drive, Chicago, Ill.

8–11 New York City, Hotel Commodore.
Governmental Research Association.

13–14 Chicago, Hotel Drake.
National Association of Suggestion Systems, National Conference. P. A. Denz, Chairman Public Relations, c/o Remington Rand, Inc., 465 Washington St., Buffalo, 5, N. Y.

13–17 New York City, Hotel New Yorker.
National Recreational Association, 29th Congress. Thomas E. Rivers, Secretary, 315 Fourth Avenue, New York, 10, N. Y.

16–18 Detroit, Book-Cadillac Hotel.
American Society of Training Directors, Annual Convention. R. L. Packard, Educational Director, Packard Motor Car Co., Detroit, Mich.

20–21 New York City, Hotel Commodore.
American Management Association, Office Management Conference. James O. Rice, 330 West 42nd St., New York, 17, N. Y.

22–23 Palm Springs, California.
Fifth Annual Employer-Employee Relations Conference. Chas. A. McKeand, Director of Industrial Relations, Merchants and Manufacturers Association, 725 S. Spring St., Los Angeles, 14, Calif.

21–22 Berkeley, California.
California Personnel Management Association, 18th Pacific Coast Management Conference. Everett VanEvery, Managing Director, 442 Flood Building, San Francisco, 2, Calif.

23–25 Columbia, Missouri.
Industrial Management Conference on labor relations. University of Missouri and Associated Industries of Missouri, Society for the Advancement of Management, Industrial Council of Kansas City and the Industrial Relations Club of St. Louis. Robert C. Manhart, Chairman, Arrangements Committee, University of Missouri, Columbia, Mo.

[illegible] Cincinnati, Netherlands-Plaza Hotel.
Society for the Advancement of Management, Conference on Human Relations. Carl S. Coler, Executive Director, 84 William St., New York.

Passage of the Taft-Hartley labor act makes it more important than ever to use effective methods in labor relations. Dr. Taylor, from his extensive experience in labor disputes, advocates "closed-end arbitration" under which union and management agree in advance to submit certain kinds of issues to arbitration.

Look for Better Methods in Labor Relations—Not Government Regulation

By George W. Taylor, Wharton School of Finance and Commerce, University of Pennsylvania

Some companies bargain collectively only because they are legally bound to do so. They are in the forefront of those who think the Labor-Management Relations Act of 1947 will solve all of their problems and who believe that legislation was enacted especially to give them power to wield against organized labor. It is likely that a relatively few concerns will precipitate the years of litigation in the Nation's courts which is in prospect. The vast amount of time and money that will be consumed could be much more efficiently spent in learning how to get along with unions and not how to fight them.

On the bright side, the managements of the overwhelming majority of companies and the unions with which they deal have quietly been seeking better ways to settle their differences. In our country, management and labor have by and large decided it is preferable to settle upon conditions of employment without outside intervention, and that includes government regulation. The public hears little of these efforts, because industrial peace is not news. Management knows that labor unions are here to stay and most labor leaders know that economic progress depends upon the proper performance of its functions by management. The interests of organized labor and management are, therefore, reconcilable at the bargaining table. These convictions make our industrial relations picture sound and encouraging despite the die-hards on the one side and the radicals on the other. We have a solid basis for attaining industrial peace around the negotiating table. And that is really the only place it can be obtained.

The Right to Strike Must Be Preserved

Under free collective bargaining as thought of under the Wagner Act, whenever a union and management cannot agree, the union has the right to strike and management the right to stop production. Management has rarely exercised its prerogative in recent years, unions have exercised theirs many times. In fact, unions have often abused their strike privilege: for instance, in some jurisdictional disputes or where stoppages occur for face-saving, a "show of power", or because no bonafide attempt was made to negotiate. Some strikes over grievances have been called in disregard of no-strike commitments in the labor contract. These primarily unnecessary strikes, together with work stoppages in vital industries that create local or national emergencies, have provided the most potent arguments in favor of the recently enacted legislation. Whether this legislation will correct such abuses or precipitate others remains to be seen.

Under genuine collective bargaining, a strike that is called must run its course if it is to serve a real function; namely, to induce the other party to come to an agreement. In the case of many strikes in public utility industries, the company can generally hold out longer than the public. Then steps are taken by the government to prevent the strike from running its course and from accomplishing the purpose for which it was called in the first place. A strike can force government intervention and government imposition of the conditions of employment instead of making the employer come to terms. Thus, free collective bargaining carries the seeds of its own destruction.

It is highly important for the preservation of their private rights that labor and management, in industries performing a vital public service, develop their own methods for bringing about amicable settlements short of strikes and short of government intervention. While public interest demands that strikes in these industries be prevented, other industries may have essentially the same problem of keeping production lines moving. Every strike is a failure of negotiations which brings about voluntary unemployment and deliberate idleness of a plant. These are high prices to pay for inability to develop and to use methods for peaceful settlement.

Conciliation, Mediation and Arbitration Defined

In any discussion of labor relations the terms "conciliation," "mediation," and "arbitration" are heard. These terms are not interchangeable, as the uninitiated might think. Each represents a different approach and each involves the use of particular tools in the attempted settlement of a labor dispute, as will be seen in the following definitions:

> *Conciliation:* A third party acts as go-between or conciliator, reporting to each party the attitudes of the other when requested to do so, and trying to bring the parties together in the spirit of compromise.

Mediation: The third party actually offers solutions and seeks to get the parties to adopt these solutions. He interprets his own ideas about what constitutes a fair and a practical settlement. The solutions offered need not necessarily be accepted by the parties.

Arbitration: The parties mutually agree that a third party shall decide the issues in question, and that his judgment and decision will be binding. This is *voluntary* arbitration. In *compulsory* arbitration, the government requires the parties to submit issues for final decision of a third party. Labor courts are a form of compulsory arbitration.

Conciliation and mediation are the methods of approach most commonly used by government representatives who seek in the public interest to get an agreement which will prevent or end a strike. Since the conciliator's or mediator's role is that of go-between or advisor, neither of these methods is necessarily successful. Neither side is bound to accept the suggestions of the go-between. Voluntary arbitration should be looked upon as a next possible step. If properly employed, voluntary arbitration could effectively prevent many strikes over issues that persist despite recourse to negotiations, conciliation and mediation. In many instances, the parties can agree that settlement of a dispute by an umpire or arbitrator, whose decision is agreed to in advance, is preferable to a production stoppage. We have a great deal to learn about the conditions and the circumstances under which arbitration is usable, but great strides in the use of this method have been and are being made.

Under the Taft-Hartley Bill the government will set up a Federal Mediation Service to replace the U. S. Conciliation Service. Under the terms of the Act, if either of the parties to a dispute desires the efforts of this Mediation Service to help in settling their differences, the service is directed to assist them. Voluntary mediation will be available for the use of labor and management. The Service is also authorized to offer its services to either party without request, if it believes that an actual or threatened strike is likely to obstruct the free flow of goods in interstate commerce. Since it is in the primary interest of labor and management to settle their differences without having to use the federal mediation machinery, the problem is one of finding the best method of reaching agreement short of such intervention and only then of learning how to use federal mediation in the interest of industrial peace.

Two Kinds of Labor Disputes

Labor disputes fall into two distinct categories: those which develop during efforts to negotiate a new contract, and those which occur during the life of a contract. Many industries have recognized the value of including in labor contracts a well-worked-out grievance procedure. Grievances can then be resolved as they develop and they will not be permitted to pile up and become impediments to orderly and smooth negotiations at contract renewal time. While most grievances are settled in the early stages of the in-plant procedures, they may go through all stages

without resolution and arrive at a so-called terminal point. This usually means that a form of arbitration may be involved.

Arbitration of grievances during the life of a contract is primarily a matter of deciding the meaning and interpretation of the actual terms of the contract itself. The process is largely judicial in character. What is the meaning of the agreement and how does that affect the dispute in a particular case? That is the usual issue. The arbitrator, impartial chairman, or impartial umpire, is commonly an "outside" third party mutually agreed upon by the union and management. The parties may as an alternative request the Secretary of Labor to appoint an arbitrator, or call upon the American Arbitration Association to appoint one. Some very large companies and their unions employ a permanent arbitrator but in most companies grievances which must be arbitrated are not frequent enough to require the constant services of such a person.

Agreeing in Advance to Arbitrate

Few companies and few unions consistently use voluntary arbitration as means for settling disputes over the terms of their agreement for the future. Here is an area which needs exploration and experimentation. Such valuable devices as joint union-management fact-finding boards, which bring together all of the necessary statistics for negotiation use and insure the accuracy of these figures; and pre-negotiation conferences where the facts are studied in an attempt to narrow differences before negotiation actually begins, will result in fewer disputes which cannot be settled by collective bargaining. Pre-negotiation relationships constitute another area of industrial relations which is largely undeveloped.

We know enough about voluntary arbitration of the terms of future agreements to point out some of the important policies which have to be considered in the use of this method. There are several avenues of approach: *Open-end arbitration* gives the arbitrator almost carte blanche in making any decision he deems proper in the absence of any guide posts set up for him by the parties. *Closed-end arbitration* carefully narrows the issues to be arbitrated to those stipulated by union and management and may even set forth criteria to be followed by the arbitrator in making his award. The latter approach, of course, is much to be desired by the disputants, since it limits the risks of arbitration. So little attention has been given to these factors that the stipulation to arbitrate is virtually the undiscovered document of industrial relations. Yet, it could be among the most important documents.

A Case History of Voluntary Arbitration

Voluntary arbitration has proven an ideal tool in many industries serving the public. Where a strike is called in such industries the primary pressure is on the public and, as mentioned earlier, the strike cannot serve its normal function. By way of contrast I would like to describe the use of voluntary arbitration used as an adjunct to collective bargaining in negotiations involving one of the largest

public utilities in the United States and a C. I. O. union, early this year. The case is a notable example of sound collective bargaining that might well be followed elsewhere.

First of all, it was a case of limited arbitration. The parties resolved all differences between them with the exception of certain wage issues and signed an agreement embodying the points upon which there had been a meeting of the minds. They then voluntarily agreed to arbitrate those issues which remained unsolved.

Secondly, the parties drew up a "closed end" stipulation to arbitrate in which provision was made for a three man Board of Arbitration. A representative of each party sat directly on the Board. The writer was appointed third member of the Board by the Secretary of Labor to serve as impartial chairman, with the approval of the parties.

Third, the stipulation was carefully drawn so as to set forth the sole issues in dispute in careful detail. The Board jurisdiction was limited to making a decision in these matters only and a number of factors, which the parties agreed should be given particular weight, were specified. Certain basic judgments of the parties were thus formally transmitted to the Board for its guidance.

The parties themselves set up the kind of arbitration they agreed was best adapted to their needs. They not only limited the jurisdiction of the Board, but provided it with detailed instructions on how to proceed in making a decision. In carrying out its duties the Board of Arbitration held hearings and received extensive and carefully compiled data from the union and management. Upon the evidence submitted at these hearings and in accordance with the terms of the stipulation the Board made its decision. In performing his function the Impartial Chairman had the constant benefit of the advice and assistance of the union and company representatives, who knew more about the basic problem than the Chairman could ever hope to learn. The tripartite board helped to make possible an informal decision.

By their actions the Union and the Company in this case recognized a primary responsibility to conduct their relations so that there would be no interruption in the vital services they rendered to the public. They also clearly charted a way by which collective bargaining, free of government interference, could be reconciled in the public utility industry with the needs of the public. And by use of peaceful methods a solution which was acceptable all around was found. Their example may well be followed in other industries.

Forward looking managements and unions have to recognize that a negative approach does not "pay off." The will to agree, a spirit of compromise, mutual understanding of problems, and a modern, positive approach to collective bargaining will bring about harmony which can never be achieved by statute. Nor does it suffice for them just to be *against* the law. They have to be *for* a constructive program. Perhaps one may recall the very profound philosophy which was expressed in a popular song about a year ago. "Accentuate the positive and eliminate the negative."

This is a report of what the 1947 engineering graduates of a leading university are actually saying about the companies whose representatives have interviewed them. Possibly not all of their suggestions are entirely practical but companies who expect to employ in 1948 will do well to consider them carefully.

Suggestions for Interviewing Veteran Engineering Graduates

By Robert B. Eckles, Purdue University

Two or three times a year representatives of industrial organizations, both large and small, call on the placement officials of our larger engineering and scientific colleges. They interview men for positions and establish contacts that will help insure that they receive applications from men likely to become valuable employees.

The current engineering and scientific graduates are, in the majority of cases, either veterans or men who have had practical experience in war industries. These men are older, more sophisticated, and in every way more experienced than previous graduates.

A survey of opinion of some one hundred and fifty graduates of the classes of 1946 and 1947 in one of our larger engineering universities will help to show what these men expect to be told about their prospective employers. Their opinions should be helpful to managements relying upon the universities for aid in staff recruitment.

The present practice in most cases in conducting interviews with graduates is as follows: (1) The placement officers of the university furnish the interviewer with a list of men who might be interested in the positions to be filled; (2) the record of each applicant is carefully inspected in order to determine if his war record, academic standing and training fit him for the job. The interviewer takes every step necessary to insure that the candidate meets the standards, both personal and professional, set by his company; (3) the student is interviewed and told about the products that the company makes, its training program, starting salary, and some-

thing very general about the financial status. Pictures and information concerning equipment are provided usually in a pamphlet or specially prepared folder.

The one hundred and fifty veterans who were asked to state opinions concerning the information given by management representatives feel generally that the information was usually too vague; and that their selection of a future employer would be very definitely aided if the following points were emphasized by the interviewer:

(1) A complete statement of the merits and the complete cost to the individual of retirement, insurance, mutual benefit, and any plan that intends to help the employee save, either for sickness or old age. The veteran graduate wants job security. He wants to compare plans providing for health benefits and savings of various prospective employers. His final selection of an employer will be greatly influenced by a full and complete explanation of such plans.

(2) The veteran feels that he is too old to undergo the experience of a frequent change of employer during his first five years with industry. Therefore, he believes that he should have a statement of how many men in his prospective situation have been employed in the past fifteen or twenty years. Detailed information should be furnished concerning how many have been separated and the general reasons for separation, and what the chances are of his remaining with the company. For example, if a company offering $250.00 a month starting salary, were to report that thirty of fifty engineers hired each year for the past fifteen years were not with the company at the end of a year, it might help to decide whether or not the applicant should seek employment elsewhere. Another company offering $250.00 a month as a starting salary reports that only ten of fifty engineers leave each year. The veteran graduate wants to draw his own conclusions by comparing employment records such as these: A complete "fortune chart" should be given the applicant. He wants to know how many of the men in his department have been there for five, ten, or fifteen years. He would like to know what to expect in the way of a salary five years after signing up. He does not seem to be content with the time honored statement "it is up to you after your training course is finished." He wants to know more facts about the employment record of the company.

(3) The veteran graduate is concerned about his chances for promotion. Therefore, a detailed statement of the promotion and transfer policy of the company should be given him during or immediately after the interview. He feels that interviewers are indefinite concerning the promotion policy. Specifically, he wants to know who will decide his promotion—his section head, a board of review, or a combination of both applying some rating plan.

(4) While most engineers and scientific graduates are not trained at the time of graduation in the art of interpreting financial statements, they feel that they should have before them a correctly expressed statement of the financial position and of the prospective employer. They are concerned with job security to the extent that many feel

that they do not care to attach themselves to a company whose financial position seems unsatisfactory.

The above suggestions come from veteran graduates who say that they would be greatly assisted in their selection of employers if management representatives brought to an interview the additional information suggested above. Undoubtedly better employer-employee relations could be established if this information were given at the time of the interview.

Performance Rating

Performance Rating, often called Merit Rating, is one of the most necessary personnel practices. It is scarcely possible to compensate employees justly without knowing how effective their performance has been. The term "merit" is subject to so many and such varied meanings that it is less suitable than "Performance" to designate the basis for the evaluation of the employee. After all, it is the way the employee has performed that we are inquiring about in connection with his pay. If he has performed well-done work of good quality and quantity, for example—then he is entitled to top consideration in regard to his pay. But what do we mean by "work of *good* quality and quantity"? One foreman thinks of work as good only when it is perfect; another has a more liberal definition. But if all employees on like work can be compared with one another when rating quality of work then we can be sure that the top man will get the highest consideration in deciding on pay increases, no matter how quality of work is defined. Suppose, however, that actual records of spoilage or other measure of error are available: then why rate quality at all? These are only a few of the problems of measurement that arise in connection with Performance Rating. And personnel people who are not trained in the statistics of measurement are greatly handicapped in working with rating measures of any kind. October PERSONNEL JOURNAL will contain an unusual article on the pitfalls of Performance Rating. The author is a man of wide experience in Industry and is trained in methods of measurement: Dr. Alfred J. Cardall. Look for "Employee Performance Rating" in the October issue.

This is a case study of good and bad ways of handling grievances, with consideration of some of the things that actually underlie many asserted grievances. It is by one who describes himself as having been for several years an active union member and who has sought more constructive ways of dealing with workers complaints. Management should study it carefully.

Shop Grievances—The Human Approach

By F. C. Smith

"What will I do," said a union steward to the president of a large union, "about those cases which are not real grievances?"

The president replied, "You will find that each case *is* a real grievance. And if you try to argue a man out of one you will only be asking for trouble."

JUST what is a grievance? In the dictionary we find a grievance defined as "That which oppresses, injures, or causes grief and at the same time a sense of wrong; a cause of annoyance; a wrong done."

In general this definition is probably sufficient. However, in the human approach the meaning of a grievance might be stated in such terms as the following: A grievance is an act, occurrence, or an attitude, either expressed or implied, resulting in a real or imagined feeling of injustice, of having been oppressed or injured. A grievance is a feeling that insufficient consideration has been given to the individual or group who alleges that a wrong has been done. Carried further, a grievance is often the result of one's emotional adjustment or equilibrium having been disturbed, and this will find expression in some form of resistance or rebellion.

The Real Causes of Grievances

Using this definition let us examine the statement of the president when he said that each case is a true grievance. Let's also take a look at some of the causes of grievances.

Human relations in industry is like a machine; it needs constant attention and frequent adjustment. And the grievances which arise, whether they are pre-

sented through formal or legal channels, or whether they are expressed in the form of work stoppages, restriction of output, or general recalcitrance, are symptoms which must be carefully studied by supervision and the labor relations department in order to determine the real cause of the human machine having broken down.

In human or labor relations each grievance, especially those which are invalid according to the legal terms of the contract, may be likened to the vibration of a machine; and attempts which are made to disregard the case, to "patch it up" or to "throw it out of court" because of its being technically invalid can only result in the basic cause again finding expression in another form. In other words, a grievance is always a grievance, and it can never be completely smothered unless the true cause is adjusted or eliminated.

Cranemen Disturbed, Go on Strike

Here is a case involving a group of cranemen which illustrates this point. Among these men, who were open hearth employees in an Eastern plant, absenteeism suddenly became a serious problem. After several days the offenders were called in and being unable to give satisfactory reasons for their absenteeism were threatened with punishment. This "cured" their absenteeism but a short time later they went on strike, saying that the air surrounding their cabs was so filled with gas that an occupational hazard resulted. The company had the air analyzed, and the analyst found that it was safe.

However the men remained unconvinced stating that the gas made them ill; and before they would return to work the company was compelled to install an expensive ventilating system which did absolutely nothing toward purifying the air.

Why, then, were the cranemen so stubborn and illogical? A few weeks earlier a new man had been promoted to the position of crane foreman. He had been a crane operator and was popular among his associates. Almost immediately he introduced a number of changes which even the cranemen admitted were improvements over the old methods of operating. However, there were so many changes occuring with such rapidity that the cranemen, all of whom were old-timers, became confused and bewildered.

Over a period of years these men had attained a certain degree of security in their methods of work and the occasional change which did occur was brought about so gradually that each man was able to adjust to it with little or no difficulty. Suddenly, however, these men were confronted with so many changes that their equilibrium was disturbed and they felt insecure, uncertain and resentful. At first they resisted the changes through the illogical method of remaining off the job but management only "patched this up" by threats of punishment. Therefore, since the cause of the men's resistance or rebellion still existed it once again found an outlet in the form of a work stoppage. And this time it was given a degree of validity by being made to fit under the health and welfare clause contained in the contract.

After the ventilating system had been installed management decided to withdraw temporarily some of the changes which had been introduced, thereby giving the men a chance to adjust gradually to the new working methods. In this way the cause of the cranemen's rebellion was eliminated. Unfortunately, however, so much friction had been generated among these men that they were in a constant state of irritation for many months.

This case illustrates that a number of factors enter into the development and the growth of grievances and suggests that the desire for economic gain and for improvement in the material conditions of employment are only two of the factors.

Faults of the Legal Approach

Although the union agreement must continue to provide an important basis for the settlement of those grievances which are clear-cut and valid, it must also be recognized that the strict legal approach limits the consideration of grievances to one factor only. It does not allow freedom to explore those underlying and basic factors which have contributed to the development of the formal or legal grievance.

Most unions and most managements have insisted that a grievance is not a grievance unless it fits under one of the specific clauses contained in the union agreement. Even on the grievance form the steward is expected to show that part of the contract which has been violated. As a result this has encouraged the growth of many grievances which have worn false but legal cloaks. And many of these cases have been taken to arbitration when minor adjustments in human relations on the job could have eliminated the basic causes of the grievances that finally emerged.

For example, a group of machinists employed by a large steel mill in discussing various problems with their superintendent frequently mentioned how this or that was handled in another shop. Just as frequently the superintendent reminded the men that they were not working outside; instead, they were steel mill employees.

The machinists, the majority of whom had formerly worked in outside shops, did not resent being classed as steel workers; they did, however, fear a loss of status in the eyes of their superintendent by being compared unfavorably with other machinists. These men, although they had belonged to the union for a number of years without having caused any serious trouble reacted in the following manner: First, they demanded that the company furnish them with working tools, even those which machinists have always provided themselves. This was refused. Second, there were a number of grievances maintaining that the working force was inadequate. These grievances were all disproven. Third, there were many grievances requesting increases in both hourly rates and bonus payments alleging that speed-up programs had placed additional work upon the men. Time studies proved that these demands were unwarranted. Fourth, there were many complaints protesting changes in work schedules. And so it went. Finally, a union steward was discharged for attacking his foreman. As a result every man in the shop went

home maintaining that the foreman had been the aggressor and that the steward had really been discharged because of his union activities. The men by now having been defeated consistently were ready to rebel or strike at the slightest provocation.

How a Grievance Was Understood and Settled

After four days the men, with the exception of the steward, returned to work. His case was taken to arbitration and was finally settled by reinstatement after serving a thirty-day suspension period.

About this time, the superintendent began a program designed to improve shop relations. (1) In various communications to his men, he indicated that he respected their opinions and judgments; (2) he asked for their criticisms and advice; and (3) he built confidence in his men by showing that he had confidence in their ability and methods of work. As a result, a better relationship was slowly established.

In analysing this sequence of events it would be oversimplification if we concluded that all of this disturbance resulted from one basic cause: a threatened or feared loss of status. Further exploration would require consideration of a number of factors such as: (1) shop relations as they existed in the past; (2) the reactions of the men to various changes in work procedures; (3) the attitude of the men toward supervision both specific and general. However, we must conclude that the "attacks" of the superintendent directed toward the men's status was probably the major contributing factor to the unrest which caused a series of syptomatic grievances, culminating in formal grievances of questionable legality.

Also it cannot be assumed that a grievance or a series of grievances are planned in advance in detail by an individual or a group as outlets for some underlying feeling of frustration or unrest. Instead they develop more or less spontaneously the same as further trouble will be encountered if the loose rod in the machine is not repaired or adjusted.

Preventing Grievances

"An ounce of prevention," goes the old axiom, "is better than a pound of cure." In labor relations, it might be said that an ounce of prevention is better than attempting to cure a score of grievances; for, as labor's unrest gains momentum grievances, both legal and otherwise, become not only more numerous but also progressively more difficult to solve. And as this occurs, even though the original cause or causes might still be determined, the machine may have disintegrated to the point that it is almost beyond repair. As a result demands for wage increases, a slow-down, a strike or some other serious disturbance occurs.

Let's examine two more cases. During World War II the management of a large concern discovered that its working force in one division had become too small to perform work which was vital, even though these employees were each working approximately thirty hours overtime per week. New employees were unobtainable

but the work had to be done. As a result management engaged a contractor who brought his own men into the mill to supplement the work of the regular employees. Unfortunately the contractor's men were members of a rival union who were paid twenty cents an hour more than those men employed by the industry.

Management anticipated that its employees would demand a similar payment; but, even though there would be considerable justification for the demand, management felt that if it paid the higher rate there would be a deluge of demands for wage increases from all departments throughout the plant which would definitely threaten the existing wage structure and possibly lead to a general strike.

Nonetheless the contractor's men were brought into the mill and even though they worked as an isolated group trouble soon developed. When the regular employees learned that the newcomers were receiving a higher rate they contacted their union steward and demanded immediate action. The steward, in turn, contacted the superintendent and in presenting the case maintained that such an arrangement was wholly unfair to the regular men, some of whom had worked for the company for more than twenty years. He requested that the company employees be paid the higher rate for as long as the contractor's men remained within the mill.

Lack of Understanding Brings on a Strike

The request was denied after a lengthy and bitter discussion and when the steward reported to the group they refused to work. The superintendent then talked to these men and (1) told them they were being unpatriotic by striking; (2) pointed out that the work had to be done; (3) told them that they were regularly employed, while the contractor's men were frequently unemployed; (4) reminded them of a a number of their superior working conditions which were not shared by the contractor's men and so on.

All of this fell on deaf ears. By now the men were convinced that the company had plotted to tear their union apart using the infiltration of another union as an offensive or dividing tactic. The superintendent then gave the men permission to transfer to another department even though they were so definitely needed in this division. However this was unsatisfactory; each man who transfered lost his departmental seniority and as a result only a few of the younger men accepted the offer.

After a day or two the men returned to work and the case was prepared for arbitration. But more than a year elapsed before it was heard. Meanwhile the war ended and although the case "died" with the disbandment of the War Labor Board so much resentment was created that it will probably never be entirely dissipated from the thinking of the men.

An Understanding Superintendent Avoids Trouble

In another mill an identical situation arose. However, in this case the department superintendent talked to his men before the contractor was engaged explaining that neither he nor any other company official really wanted an outside crew working

in the mill and that the arrangement was being made only because the service of the contractor was needed during the war emergency. He told his men they could continue having all the overtime work they desired and he suggested that they meet with their foreman and participate in assigning the less desirable work to the contractor's men. He also said that the contractor's men would be removed at the earliest possible moment.

In this plant the anticipated demand for a wage increase did not materialize the reason for which might be explained in this way: *Both* the men and the company—not the men alone—felt that the presence of the contractor's crew was an undesirable necessity to be dispensed with as quickly as possible. This was made clear by the remarks of the superintendent. Further, the men having the privilege of selecting their own tasks by participating in assigning work to the contractor's crew were able to maintain their essential dignity and to increase their feeling of importance. This was brought about through active collaboration with management—collaboration which was asked for by management itself. Thus the basic causes for labor's unrest remained unaroused.

The Superintendent as a Factor in Grievance Development

It has often been said that many grievances, both legal and symptomatic, result from plant and departmental superintendents having contributed to the growth of labor's unrest. Let's examine the implications contained in this statement, making use once more of principles of psychology as we attempt to understand the behavior of human beings—those vague motivations which impel us in this or that direction.

Each superintendent, like a man who plans and builds a home, constructs an organization or working structure composed of many parts; and in order to have his department operate successfully he must so build it that one operation flows into another with a minimum of friction.

As time goes on each superintendent sees a reflection of himself in his department, for into it he has put himself—his skill, his knowledge and even his personality. As a result, even though he attempts to condition himself to expect disruptions, he nonetheless views grievances and accidents as events which not only thwart the normal activity of his department but also he feels them keenly as attacks directed toward his department and *himself*—his ability, his mechanical skill, his judgment, his education and so on. He also resents the occurrence of these disruptions or "attacks" because he feels that too many of them not only threaten his job but also because they permit and even encourage unfavorable criticism of himself as an individual. Of more importance, however, these disruptions tend to frustrate him in his desire to build a smoothly running organization. And frustrations, as we have seen in our illustrations, always find an outlet. This outlet demands active and aggressive behavior—a "fighting back" against that force which threatens security. However, in the case of a well-adjusted individual this fighting back is very subtle and it is seldom recognized for what it really is.

Another Case Badly Handled

A railroad conductor employed in the transportation department of a large oil refinery violated one of the working rules and as a result caused an accident to some of the equipment which cost the company a considerable sum of money. This conductor was an old and reliable employee; nonetheless, when the superintendent, learned of the accident he followed the pattern just outlined. The superintendent took the conductor to the scene of the accident and although the conductor explained that his violation was commonly practiced by all the switching crews in an effort to speed up the work the superintendent refused to accept the explanation. The superintendent said, "You have always been a man I could trust. And now this happens." The conductor was not penalized in any positive manner but let's take a look beneath the surface.

The superintendent upon learning of the accident felt the need to take action of some sort. This need he partially satisfied by taking the conductor to the scene of the accident; and still needing a further outlet he built a feeling of shame and inadequacy in the conductor by showing him dramatically the destruction he had caused and by implying that the man was no longer to be trusted. The superintendent brushed aside the conductor's explanation, not only because it did not justify the violation but also because the explanation, if accepted, would have blocked the needed outlet for the superintendent's feeling.

Blaming It on the Men

Some superintendents in a similiar situation give themselves an outlet through profanity, through giving the offenders time off, through balling them out, through issuing arbitary bulletins, through using some individual as a "whipping-boy", as did the Southern plantation owner in days gone by. And while each superintendent must as a human being have an outlet, he justifies his actions by saying that this is the only language the men understand and that he must somehow maintain shop discipline.

This of course is pure rationalization and has served only to foster labor's unrest. Like a son who has rebelled against stern parental authority, labor is rebelling, making use of legal cloaks—largely symptomatic—as its own method of fighting back.

Returning to our illustration we find the conductor, like most men, an individual anxious to please his superior officer; however, by being made to feel guilty and inadequate—which always leads to anxiety—even though this feeling was created in a subtle manner, the conductor reacted exactly the same as if he had been penalized in a more direct way. He became a little less confident and during the following month he was responsible for three minor accidents although for the five previous years his service record had been accident free. And although he was usually rather quiet in the union hall he soon made two speeches denouncing his employers. In

this manner he was subconsciously attacking his superintendent through "transference." Thus if we multiply this case by the thousands which are occurring daily throughout industry we begin to see one of the causes of labor-management disharmony.

What then can a superintendent do? He must, the same as the conductor, have an outlet for his own emotional disturbance. He can first free himself from his desire to attack through self-analysis; resorting then to some physical activity such as playing golf, bowling, working around his home or through creative activity. Secondly, he can use each disruption in his department as an occurrence on which to build a better relationship between himself and his men. Since feelings of shame, guilt, inadequacy or anxiety are negative emotions which *always* beget destructive activity the superintendent can build a feeling of pride and confidence in his men which will tend to promote constructive responses. In the case of the conductor's violation the superintendent might have said something like this: "I don't like to have these things happen anymore than you do. We have a damn good department. And all of us working together have made it good. Let's keep it up."

Unless a superintendent is able to understand himself more clearly and to realize that most men are sincerely *anxious to please*, (although there is the occasional neurotic who is urged to commit sabotage) he will, as a result of his attitude, continue to experience disharmony in his department. In short, he will actually foster unrest.

Does a human approach mean coddling the men? The answer, of course, is no. The men would resent coddling the same as they resent paternalism in any form. Instead the men desire to be treated as dignified human beings. They now feel that management thinks of them as mere numbers whose only value lies in the physical contribution they make in the production process.

A human approach means working with the causes of labor-management maladjustments, some of which have been indicated in the above illustrations. It means repairing the loose rod instead of "patching up" the vibration of the machine.

The actions of General Foods executives and foremen on labor problems have long been guided by the official attitude of the company as expressed in "Employee Relations in General Foods." Upon passage of the Taft-Hartley Labor Bill the company promptly issued this interesting letter to the entire organization, reiterating its position on employee problems.

To the Organization

By General Foods Corporation

To the Organization:

In view of the highly controversial nature of the discussions in press and radio which have accompanied the passage of the Labor-Management Relations Act (Taft-Hartley Labor Bill) we want to convey a word of faith and reassurance to all employees of General Foods as to the future of our relations.

The principles of human relations for which your management stands are clearly set forth in the booklet entitled "Employee Relations in General Foods." They have been in effect since April 1937. There is ample evidence to justify the belief that they are supported by the vast majority of all employees and have contributed to harmonious relationships during the past difficult years.

Our management is committed to the maintenance of those principles and believes that there are no inconsistencies between them and any provision of the revised labor law, which we have carefully reviewed.

You are further assured that our management will operate under the provisions of the law in such a way as to maintain the satisfactory relationships which have existed in the past.

As stated in our Annual Report for 1945, and repeated on the third page of the 1946 Report, copies of which you have all received,

> "We believe in basic human values, and we are endeavoring to demonstrate these beliefs by the manner in which we administer the affairs of this company. . . . The goals are jobs, freedom, and the greater dignity of the individual."

Clarence Francis, Chairman
Austin S. Igleheart, President

The employee wants to know about the company for which he works and about many other details connected with his employment. An effective and comprehensive information program is essential in gaining his enthusiastic good-will.

Informing Employees

By Ernest de la Ossa, Director of Personnel, National Broadcasting Company.

There are many reasons why informing employees is an important part of any employee relations program. Generally, however, the basic reason is to gain the enthusiastic good-will of the employee in order to:

1. To promote the best possible public relations.
2. To achieve maximum efficiency at lowest cost.

No company today is sufficiently independent so that it can ignore the public relations factor. The employees of a company can easily be the heart of any public relations program. This is particularly true of local companies and of companies in smaller towns and cities where community relations and employee relations are almost one.

Sincerity Comes First

This is probably the place to stress the fact that all the "informing employees" in the world won't make up for an employee relations program which is inadequate, or for one which is not sincere. Neither the public nor your employee group today can be fooled easily.

Most employees want to be proud of the organization for which they work. If they can be told what the aims and purposes of a company are and if they believe that these are worthwhile, they are only too willing to pass this on to their friends, relatives and all of the public with which they come in contact. Service organizations such as airlines, railroads and express companies have long realized this and have done their best to "sell" the public through their employees. For public relations purposes then, it is important to let the employee know what you're trying to accomplish, why it is a useful goal and what part he can play in it. There are, of course, specific items of promotion with which he can be of assistance. You may be about to market a new product or to sponsor new legislation or to seek some community concession. On all of these the employee can help and usually will if he is properly informed. Some will say what about "union" groups. I would say

that unless we are going to throw up our hands completely and disavow employee relations where unions are concerned that the same fundamentals will apply. Many times the union employee will beef and even strike against the company but quite often he will figuratively or literally take a poke at the outsider who talks against the company for which he works.

The second reason for informing employees is "to achieve maximum efficiency at lowest cost." All of those things which contribute to good public relations are tied into good employee morale; and good morale brings about efficiency and low costs. It is not necessary to go into the value of team spirit and morale in any specific case because all of us have read and known of many examples in the war period which has recently ended.

The other type of information which is necessary for efficiency might be called "job information." In a sense, it is the specific type of information which serves as a "tool" for the employee. Such things as where to get material, and how much material is to be available and when, in the case of a production worker, are almost as necessary as the machines with which he works.

The way in which such information is supplied in itself contributes to morale. You have all had the experience of becoming exasperated at the salesclerk who in answer to your question as to when you could expect certain merchandise has had to answer "I don't know." Because, although he is expected to deal with customers, he hasn't been given the information he needs. You can imagine what happens to his morale when he has to answer "I don't know" to all kinds of exasperated customers.

The Methods of Informing Employees

Psychologically, employees always want good leadership, recognition as individuals and want to know in advance about changes that will affect them. How well they are informed governs the degree to which these requirements are met.

The methods which can be used in informing employees are:

1. Supervisor's personal contacts
2. Staff interviews
3. Group meetings
4. Memoranda or letters
5. Bulletin Boards
6. House organs (magazines or newspapers)
7. Employee manuals
8. Annual or periodic reports
9. Public address systems
10. Visual aids (slide film, motion pictures, posters)
11. Outside publicity (newspaper and magazine)

The point at which management has fallen down most often is in understressing the importance of the supervisor's function in informing employees. All of the

other instruments for informing employees should be subordinated to the supervisor's responsibility for telling the employees all that they ought to know. As a matter of fact, the other devices are very often excuses for failure to provide the supervisor with the information he needs and, in turn, are excuses for his failure to inform employees. In other words, the key to an employee information program should be the supervisor. He should be well informed and should know what the other methods of informing employees are and when they are to be used and what they are to say. Don't surprise the supervisor.

If this fundamental is recognized and lived up to, the other devices which we shall cover can be looked on as accessories and can be useful in strengthening an employee information program.

To illustrate the manner in which the other employee information methods might be used, let us assume that we are talking about one employee with a particular company.

Supervisors Are Important in Keeping the Employee Informed

In making that assumption I'd like to emphasize the moral. Too often we inform groups of employees and forget the individual. That's why the supervisory contracts are important since the supervisor works with the individual. For example, if you announce by memo that your company will observe a certain holiday; but if you, as does our company, keep a large segment of your employees at work, the effect of the memo on the groups who must remain at work is not the happy one you anticipated unless it's well handled, but is just the opposite. It sounds preachy but it is a wise policy to talk to individuals and to slant what you have to say to the particular individual with whom you are talking.

To follow our employee we can start with his employment. One major function of the interviewer in any personnel organization should be to give information. Thus you get the use of a staff interview. Usually the employee is informed on at least

1. Pay
2. Hours of work
3. Benefits
4. Chances for advancement

In the company we are covering, the employee is put through a group meeting as a part of an orientation or induction program. Here he may be told about getting to and from work, eating facilities, absences and latenesses, locker and washroom information, medical services, miscellaneous rules and regulations, place in the organization and more about benefits and policies.

The things which should be featured in any induction are thoroughness, conciseness and timing. Spread the material on which he is to be informed over a reasonable period of time. Tell him about eating, about using his pass, about calling in, at the time when such information would first be useful to him.

Letters of Welcome

This new employee may receive a letter of welcome from a company official or an informative memorandum which tells him specifically the terms and conditions under which he has been employed and which at the same time welcomes him. Some companies send such letters to the home as soon as the employee is signed up. The personalization of such letters is important and if they are to be sent, care should be taken in not overdoing the tone of them and in making certain that names and addresses are correct, since sloppiness can do more harm than good.

Our same employee in the company for which he has been hired finds on going to his work place, to lunch and on going home, that he passes company bulletin boards. Unfortunately, most companies use bulletin boards as isolated catch-alls. If they are to be used at all, attention should be given to their layout. They should be placed so that all employees must pass them and they should be kept up-to-date and integrated into the overall employee information plan. A company which I know occasionally puts teaser items on the boards such as bulletins announcing that if the employee will call or write in, she will be allowed to order nylons. This keeps up reader interest as does the calendar of company events on which our new employee learns to rely as his guide to company activities.

Sometime during the first month the new employee receives a copy of the company house organ. It is important, to avoid doing more harm than good, to conform to good editorial standards, to avoid over-editorializing and yet to achieve good company relations by using news stories and by making the house organ more than a gossip sheet. If it can be written by the employees it is so much the better, but obviously it must be controlled by a proficient editor who can achieve desired ends through an employee staff. As an example, if you want to promote the security and benefits of a retirement plan, the best way to do so is to run a well handled, well illustrated story of the happy lives of some of your pensioners with liberal testimonial type quotes. The employee wants a house organ of and for the employee.

Employee Manuals and Reports

The new employee we're taking through the company would have received the employee manual either from the interviewer or the supervisor when he was employed, or at one of the first of his orientation meetings. The employee manual should give the employee information on the history, aims and purpose, and organization of the company and of the working conditions, benefits, practices and policies.

Sometime during his first year, our new employee receives an annual report. It may be designed especially for him or it may be directed to the public and to stockholders with a special section devoted to the employee groups. It may contain an outline of the company's accomplishments for the year, its future plans, its financial status and annual financial report, and it may review certain of its policies.

One of the more modern informational systems is the public address system.

Our new employee may hear occasional announcements over the system on a variety of subjects.

The newspapers and magazines have carried many advertisements presenting the company's point of view in a particular strike situation. Our new employee may have seen the "institutional" ad which told the world at large of his company's part in producing for the war effort. These are useful devices, but they are "paid for" and worth much less than the news item or story which praises or presents favorably some achievement or some phase of the company's operations.

Very quickly then, our new employee has run the gamut of the forms of employee information and can end his work period with an exit interview which is another form of staff interview, as you know.

Deciding on a Supervisory Training Program

The McCormick Junior Board idea has been used in one situation as a vehicle for developing a training program. For the Personnel man this has the advantage that line officials thus take the lead in formulating a training program for their own supervisors. The Personnel Department is then in the position of having the "line" ask Personnel for help in developing and carrying out their ideas for supervisory training, instead of, as is more usual, putting the burden on Personnel of formulating the program and then of having to "sell" it to line officials. One company whose Junior Board worked out the training program this way is The Pennsylvania Company for Banking and Trusts, of Philadelphia, where there are 1500 salaried employees. In their case it was decided to begin with an analysis of the job of the supervisor as a means of locating the training needs. The resulting list of duties is exceptionally complete. Look for it in the October PERSONNEL JOURNAL under the title "Duties of the Office Supervisor".

Industry-wide collective bargaining has been on the increase in recent years. Some of the advantages and the disadvantages for management and for labor are pointed out on the basis of specific examples of such agreements.

Industry-Wide Bargaining

By R. C. Smyth, Director of Industrial Relations, and M. J. Murphy, Assistant Director of Industrial Relations Bendix Radio Division of Bendix Aviation Corporation, Baltimore.

Although the majority of collective bargaining agreements negotiated in this country cover only a single plant location of a single employer, there is a discernible trend on the part of various unions to attempt to extend the application of the labor agreement to cover all of the plants of a concern or all of the concerns of the same industry either within a given geographic area or throughout the country.

Although organized labor has not unanimously adopted this approach, the trend is nevertheless very evident. Many of the older unions, which have had long histories of collective bargaining, have consistently and successfully striven to extend the bargaining unit. In addition, many newer labor organizations have gone on record to the effect that industry-wide bargaining is among their objectives.[1]

The National Labor Relations Board has, up to now, raised no obstacles to this development. However, the Board has defined certain criteria that must be met before it will establish area or industry-wide bargaining units. The Board has expressed its attitude in this connection as follows:

> "Recognizing the success of industry-wide or market-wide collective bargaining in many instances in this country and abroad, the Board has found appropriate . . . units covering the employees of a group of independent and competing companies, when conditions were suitable. Such multi-employer units have been established, however, only when the history of collective bargaining in the industry shows the necessity and desirability of such a unit from the standpoint of effective collective bargaining and peaceful labor relations. In addition, they are found appropriate only where there exists an association of employers, or other employers' agent, exercising employer functions, and with

[1] Clinton S. Golden and Harold J. Ruttenberg, "The Dynamics of Industrial Democracy," pp. 299–311, Harper & Brothers Publishers, New York, 1942.

> authority from the employers to engage in collective bargaining and enter into binding agreements with labor organizations."[2]

The term "industry-wide bargaining," although widely used, is somewhat of a misnomer in that, as already suggested, three kinds of groups are actually included under this heading. These are: (1) company-wide bargaining; (2) industry bargaining on an area basis; (3) industry-wide bargaining on a national basis. Inasmuch as there are some differences between these three groups each will be reviewed briefly.

1. *Company-wide Bargaining*

Due to the financial and social problems involved in conducting organizational activities a union will usually gain recognition first in only one plant of a multiplant concern. Typically, over a period of years, the union will then attempt to extend its recognition to the other plants of the company. Once a majority of the eligible employees in these units are represented, the union may demand that management negotiate a master contract covering all of the plants. Such master contracts typically cover the most important phases of wages, hours, and working conditions and are usually supplemented by additional agreements covering local problems. These supplementary contracts are generally negotiated at the individual plants by local union and management representatives.

Some very large concerns have negotiated such agreements with various unions. Among these are the General Electric Company, the Bethlehem Steel Company, and the Westinghouse Electric Corporation.

2. *Area Bargaining*

In many geographic areas bargaining has developed along industry lines in the case of certain types of endeavor. In most instances, because of the nature of the market, the area has been limited to a town or city and its immediate environs. However, in some cases, several states have been included in the area.

Groups of employers bargaining with unions on a town- or city-wide basis are frequently found in the case of the building trades, building service occupations, truck and taxicab operations, butchers, retail clerks, hotel and restaurant help, bakers and barbers. In the radio industry, over twenty radio sets and parts manufacturers in and around New York negotiate on an area basis with the United Electrical Radio and Machine Workers of America-C.I.O. Also the majority of the tool and die producers in the Detroit area operate under a master agreement with the U.A.W.-C.I.O. The Hotel Association of New York has negotiated an agreement with six A. F. of L. unions covering 22,000 workers in 85 hotels. Similar agreements are in effect in Pittsburgh, Kansas City, Washington, D. C., and San Francisco.

As might be expected, different types of industries are generally involved in the case of larger areas. On the Pacific coast, for example, the longshoremen bargain

[2] "Seventh Annual Report of the National Labor Relations Board," p. 60, United States Government Printing Office, Washington, D. C., 1943.

with their employers on a coast-wide basis. One contract covers 140 shipping companies and fifty-nine unions. In the hosiery industry, a major part of the industry in the northeast section of the country has had over ten years of experience in bargaining on a regional basis, and in the textile industry there are employers' association agreements between the Textile Workers' Union of America and the mills in the northern New Jersey area. Also, the lumber industry in the Pacific northwest bargains successfully with two unions through the Pacific Coast Association of Pulp and Paper Manufacturers. The trucking industry negotiates on a state-wide basis with the Teamsters' Union in Illinois. This industry also has multi-state regional agreements with the union covering Oregon, Washington, Idaho, and Montana in one case and Connecticut, Rhode Island, and Massachusetts in another instance. As far back as 1938 an eleven-state agreement was reached covering 2,000 firms and 175 locals of the union.

3. *Industry-Wide Bargaining*

In Great Britain employers in the larger industries are usually members of industry-wide associations which negotiate collective agreements with labor unions, or with groups or associations of union. Likewise in Sweden collective bargaining agreements are for the most part industry-wide. Indeed, in 1938 the Federation of Swedish Employers and the Confederation of Swedish Trade Unions, both of which are national organizations, voluntarily negotiated a nation-wide agreement with the objective of promoting industrial peace and precluding as many work stoppages as possible. This agreement covers virtually every union and every organized company in that country. However, it should be noted that both Great Britain and Sweden are much smaller countries than the United States and have had closely integrated populations far longer than we have.

In the United States the application of collective bargaining on so widespread a basis has been more limited. In anthracite coal mining the United Mine Workers negotiate a single agreement with an association of the mine owners which covers all of the mines in the industry. Since 1900 there have been annual negotiations between the United States Potters Association, representing the bulk of the pottery industry, and the Brotherhood of Operative Potters. The glass industry, also, has been largely organized on an industry-wide basis since the early years of this century.

Circumstances Pertinent to Extension of the Bargaining Unit

By and large, industry or area bargaining has been extended in this country only to those industries which have a long history of collective bargaining, are highly unionized, and which consist of numerous relatively small economic units. This is well illustrated by the coal mining, wall paper, pottery, moulding, building construction and textile industries, which for the most part have a history of almost half a century of collective bargaining and which typically consist of many more small companies than large. Almost universally, industries consisting of larger individual economic units and those having shorter histories of collective bar-

gaining, such as steel, rubber goods and automotive manufacture, have strongly resisted all suggestions or requests for this type of collective bargaining. A typical viewpoint of the large industrialist toward this problem can well be illustrated by a portion of Mr. C. E. Wilson's reply in October of 1945 to the U.A.W.-C.I.O.'s request for industry-wide bargaining. Mr. Wilson stated, "As part of your demands you have suggested that we take the initiative and develop industry-wide bargaining with your International Union. We are not in a position to do this, and do not believe that it would be a sound development for our country even if we were. Our American system and the standard of living we have achieved are based on free competition. Industry-wide bargaining tends to disregard the peculiar or local interests of many groups of employees and of individual employers, to increase costs and prices and to affect adversely the interests of the people as a whole."[3]

Advantages of Industry or Area Bargaining

It is impossible to state categorically that industry or area bargaining is or is not a desirable trend. The union appears to gain more than management, although in many instances managements have enthusiastically endorsed such extension of the bargaining unit. The major advantages to both the union and management are as follows:

Advantages to the Union

1. The equalization of wage rates throughout the industry or area as a result of the use of a master contract tends to stabilize wages and reduce employer hesitation to grant wage increases, since the increases will equally affect all competitors. In this connection, one union states in a handbook for stewards, "The union also has the problem of unionizing entire industries and areas in order to stabilize working conditions. By this means, we eliminate the low-paid shops by bringing them all up to a minimum standard and preventing a few shops from undermining the standards set for the area or the industry."[4]
2. The union is strengthened in prestige, membership and finances since it can bargain for all persons in the expanded unit without having to organize many of the workers or even without having representation in all of the concerns or plants.
3. Since no competitive disadvantage with respect to labor costs will result within the industry, employers are more willing to establish a permanent umpire or arbitrator to handle disputes relating to the contract.
4. Because the organization of the employers for the purpose of industry-wide bargaining so obviously makes them an extremely powerful group, it is

[3] From a letter written by Mr. C. E. Wilson, President of General Motors Corporation to Mr. W. P. Reuther, International Union, U.A.W.-C.I.O. on October 3, 1945 and made public by the General Motors Corporation.

[4] Robert [illegible], "Leadership Training Program," p. [illegible], New York State Council of The International Association of Machinists, 241 East 84th Street, New York.

easier for the union's leaders to preserve a solid front within their own ranks. It is less of a problem to maintain the interest of the membership when it is possible to point out in vivid detail the serious damage that would be done to the union's bargaining position were anything allowed to weaken its strength.

Advantages to Management

1. Labor costs tend to be equalized throughout the industry through the stabilization of wages, hours, and working conditions under the master contract, thus eliminating one area of competition within the industry or area.
2. Through industry or area bargaining, small and sometimes otherwise almost powerless concerns can match the bargaining and economic strength of the union. A representative of one employer's association states this point as follows:

> "Collective bargaining and labor organizations came into being only when it was realized that by collective action employees may band together to negotiate wages and working conditions with their employers, whereas the individual employee has little or no power or influence with which to drive a bargain. Today the situation is reversed. Now it is the individual employer who is helpless when faced with the demands of a powerful, rich, and politically influential labor union. What equality of bargaining power is there between a small businessman and an international labor union?[5]

Offsetting the advantages just cited, there are certain definite disadvantages associated with the extension of the bargaining unit on an industry or area basis. The more important of these are as follows:

Disadvantages to Management

1. Each employer who bands together with a group of other employers in the same industry or area to bargain with a union, loses some of his individual freedom both to formulate and to execute his labor relations policies as he sees fit. This is inevitably true, since in order to present a united front against the union some compromises are necessary as to viewpoints and policy among the various employers cooperating in the venture.
2. The first few industry-wide (or area) contracts negotiated will tend to raise all companies to the level of the *highest* in terms of wages, hours, working conditions, and most other items included in the agreement. Also if any unusual clauses, favorable to the union, exist in contracts with one or a few of the companies they will tend to show up in the master agreement. However, it should be pointed out that this tendency to level off on the basis

[5] Ward B. Stevenson, "Employers Should Form Unions," pp. 192 and 193, Factory Management and Maintenance, vol. 101, No. 2, February 1943.

of the highest common denominator, while a disadvantage to the majority of concerns in the group, is favorable to the high labor cost companies, whose competitors have thus lost an advantage.

Disadvantages to Both Labor and Management

Finally, there are two other potential long term disadvantages to both labor and management in industry-wide or area bargaining. These are:

1. The tendency to raise wage rates throughout the industry, if accelerated too greatly, may result either in the insolvency of the industry through loss of profits, or in unsound price increases which may bring about a loss of markets to other products, thus reducing the number of jobs in the industry.
2. Industry-wide or area collective bargaining may result in abuses to the general public which in turn may force governmental action either through the existing anti-trust laws or through new legislation. In this connection, the president of the San Francisco Employers' Council has stated, "The public, too, has a stake in this matter . . . If we carry our organization too far among employers (as we already have among unions), you may find the parties sitting down together and making collusive contracts which will fix the prices to the public. Let us be frank about it. I know employers' groups which have already done that. I know of communities in which there is absolutely no bidding on certain types of services and commodities. Employers have sat down with the unions and said, 'We will grant you wage increases, and then pass them on to the public.' "[6]

Other observers also fear that the extension of industry-wide and area bargaining will result in such large and powerful economic units that increasing governmental control will inevitably result. The president of one company, referring to industry-wide bargaining said, "I deplore and fear this trend, since it is extremely dangerous. It opens the way to restriction of free competition, to industry-labor collusion in the grab for power and an unfair slice of the proceeds of their contributions to the economy. It opens the way for increased government control which, in its turn, because of the large units which will be involved, will pave the way toward centralized government—fascism, nazism, or communism, call it what you will."[7]

Review

It appears, if the history of other countries and of our industries that have long been unionized afford any precedent, that the trend is definitely toward the extension of collective bargaining to cover as many units as possible of an industry within as large a geographic area as is feasible. Although this trend affords the unions an initial advantage, this becomes in part dissipated with time as the various employers

[6] Almon E. Roth, "Management's Viewpoint," Personnel Series No. 72, *Toward a National Labor Policy*, p. 7, American Management Association, New York, 1943.

[7] Thomas Roy Jones, "The Scope of Collective Bargaining," Personnel Series No. 81, *Management's Stake in Collective Bargaining*, p. 50, American Management Association, New York, 1944.

in the industry learn to cooperate with one another. Large corporations, for the most part, will undoubtedly continue to combat this trend since they individually are powerful enough to match the strength of most unions. On the other hand, industry bargaining may afford to the small concern a partial restoration of equilibrium in collective bargaining. As one observer says, "It is time American business learned the lesson which American labor learned before the turn of the century: *Collective bargaining without equality of bargaining power is collective coercion.*"[8]

[8] Ward B. Stevenson, "Employers Should Form Unions," Factory Management and Maintenance, vol. 101, No. 2, p. 89, February, 1943.

For a more extensive treatment of the subject of industry and area-wide collective bargaining, see:

E. H. van Delden, "Problems of Industry-Wide Collective Bargaining," pp. 14–24, Personnel Series No. 95, American Management Association, New York, 1945; also, Moses Shapiro, "Industry-Wide Collective Bargaining," pp. 36–57, Proceedings, Industrial Relations Seminar, Radio Manufacturers Association, Washington, D. C., May, 1946.

How Accurate Are Interview Judgments?

Every man is a good judge of human nature: or so we all think. But have you ever subjected the decisions and judgments of your interviewers to a strict test for their accuracy? One reason why this is seldom done is because no verifiable records of such decisions are ever made. October PERSONNEL JOURNAL will contain an article describing a situation in which the test was applied. It is "Validity of the Placement Interview" and is by Richard W. Putney. Look for it and then ask yourself what the findings would be if a similar test were to be made in your own organization.

"Is this a private fight or can anyone get in?" asks Mr. Prentice; and proceeds to throw more light on the proper organization of personnel and labor relations functions, which has been argued in these columns for some time.

More on Personnel Administration

By Bryant H. Prentice, Jr., Director of Personnel, Kraft Foods Company

Is Mr. C. C. Fracker's debate with Messrs. R. R. Hopkins and J. S. McMahon a private one or may a sideliner join in? If permitted to make comment on "More on Personnel Administration" this "practicing personnel worker and (it is hoped) new type executive" would make the following points.

Personnel Administration Is Important

Personnel Administration should be considered organizationally as important as the administration of a corporation's accounting, sales, production, engineering, or purchasing functions. The status of these major departments of an industrial corporation should be equal. The executive in charge of each should report to the senior operating executive, either the executive vice president or the president, or the general manager as the case may be.

In general the functions of most companies can be grouped logically under the departments listed above. It may be noted here that the terms Personnel, Industrial Relations, and Labor Relations are used variously in different companies; some have a Personnel Department, a sub-division of which is a Labor Relations group (occasionally referred to as Industrial Relations); others have an Industrial Relations Department, a sub-division of which is a Personnel group. For purposes of this discussion, Personnel refers to all of those functions which have to do with the employee-employer relationship including labor relations. These functions in the main are:

PLACEMENT

- Recruitment
- Testing (aptitude, psychological, etc)
- Placement
- Transfers

TRAINING AND EDUCATION
GROUP LIFE INSURANCE, OLD-AGE AND UNEMPLOYMENT COMPENSATION AND HEALTH AND ACCIDENT INSURANCE
FIRST AID AND MEDICAL
LABOR RELATIONS
WAGE ADMINISTRATION
- Job and position analysis
- Job evaluation

PERSONNEL RESEARCH
EMPLOYEE SERVICES
- Recreation
- Credit Unions
- Cafeterias
- Employee Publications

The Top Executive Must Control Personnel Policy

It becomes readily apparent that the top executive of the Personnel Department responsible for policy must control policy as regards the company's relations with its employees whether the relationship be in terms of an individual or a group. The same top executive who makes the final decisions with reference to a union's collective demand on wages must make policy on an individual wage matter or for those individuals who are not unionized. The basic problems encountered in the administration of those functions listed above do not change qualitatively because of the number of people involved.

Enlightened management recognizes the need for sound personnel administration in those situations where no union exists. Certainly in a non-union situation it would be generally agreed that the functions listed above could and properly should be placed under the administration of the Personnel Department. They all are functions directly involved with the over-all employee-employer relationship. Now imagine that a union succeeds in winning bargaining rights for a segment of the employees in this previously non-union situation. Does it make sense to set up a separate department or unit, apart from the Personnel Department, to deal with the union *collectively*? We think this illogical.

Equally illogical was the reasoning, presented recently at a national convention of personnel men, by a manufacturing executive for maintaining separate personnel and labor relations. He stated: "It is the function of the labor relations department to say 'no'; it is the function of the personnel department to say 'yes'." Perhaps this company instead of grouping all buying functions under "purchasing" sets up in its organization two parallel, but independent departments, one to handle the vendors who will get a "no" to their proposals, the other group to handle all vendors with whom the company plans to place an order.

A sound personnel program can be wrecked by unsound labor relations; likewise, an unsound personnel program can undo much, if not all, that has been gained by a

history of good labor relations. The *collective* and the *individual* aspects of personnel work are both a part of the whole problem of employee-employer relations.

Labor Relations and Personnel Are Parts of the Same Problem

Labor relations and the other functions of personnel relations are both parts of the comprehensive problem of the company relationship with the employee. If there is to be coordinated, well-planned long range policy made and implemented on any company's employee relations, all phases of that problem *collective* and *individual* and all related functions should be organized into one department and that department headed up by at least as competent an executive as a corporation would expect to place in charge of any other major department of its business.

The opinion has recently been expressed that the matter of two way employer-employee communication systems presents a problem separate and apart from problems concerning the Personnel Department. We disagree here too. The executive in charge of Personnel — the top executive in charge of employee-employer relations — is the man whose department should set up and keep functioning the necessary employee communication systems. Do the other parties to this argument agree?

One closing comment: "There is no substitute for talking to the guy" is good advice in labor relations as well as the other phases of personnel administration.

Guest Editor

Every personnel and industrial relations worker is always interested to know what the leaders in the field think on the important issues of the day. It seemed like a good idea, therefore, to provide some place where they could state their views. In this issue appears the first guest editorial. It seems appropriate that the opening topic should be the Taft-Hartley Law and it is equally appropriate that the first Guest Editor should be Tom Spates. Hereafter there will frequently be a Guest Editor, someone who is recognized as a leader in the field and who has something important or interesting to say. It may be, on occasion, that an editorial will appear by someone not well-known. If so it will be because he has something important to say and has said it well. Watch for this new feature.

The Editor Chats with His Readers

Kind Words

Every month hereafter this column will print comment from readers—and our comment on what the reader has said. From experience we know that not all such comments will be favorable, so it seems like a good idea to begin with one that is. Dan R. Staley, Training Director of the West Virginia Pulp and Paper Company says,

> "May I compliment you on the June 1947 issue of the Personnel Journal. I have been a subscriber for several years and to date this is the outstanding issue."

Our thanks to Mr. Staley for his kind words. It is our hope that he—and all our readers—will find succeeding issues equally satisfactory.

Words Not So Kind

A few days after Mr. Staley's heart-warming note another one arrived with a welcome check for a new subscription, accompanied by a manuscript. After careful consideration the article was returned with the most tactful rejection letter we could devise. (The occasion seemed to warrant a letter rather than a mere printed slip!) The return mail brought an angry rejoinder concluding with "I sincerely believe you are wrong, and that if one man's opinion selects things for your magazine—PLEASE return my subscription. Maybe I can find a journal really devoted to modern discussions on personnel items . . . "

Another recent correspondent objects to the large number of articles written by college professors. Our choice among manuscripts offered may be wrong; we hope not. The intention is to select papers, from whatever source, which are likely to interest the greatest number of readers of the kind who are required to meet and solve personnel and labor relations problems of the practical every-day kind. There are some college professors whose work brings them in touch with practical personnel and labor relations workers and whose studies throw light on the problems that must be met by those workers. There is a body of theory behind every practical procedure. A knowledge of that theory helps to improve the practical procedures, especially when they appear in new situations or with some different aspect. Douglas Brown of the Industrial Relations Section at Princeton University has long practiced and preached eloquently on the valuable service that the college can render industry and that industry can render the college and its students. We shall be content to have the articles in Personnel Journal judged on their merits, regardless of the occupations of their writers.

A Survey of Personnel Practices

Every personnel manager has been known to groan aloud from time to time and

if the interested bystander were to ask the reason he would be told, many times, "It's another blankety-blank questionnaire." Now there are at least two kinds of questionnaires; the kind that benefits the respondent and the kind that doesn't. One of the former has recently appeared in very attractive and readable form. It is "A Survey of Personnel Practices in Hartford County Manufacturing Plants." It was sponsored by The Hartford Country Industrial Relations Society in cooperation with The Manufacturers Association of Hartford County. Presumably there are numerous Hartfords but this is the one in Connecticut. While the data will be of interest almost solely to participants, the survey seemed worthy of mention because of the excellent design of the questions to get useful information and because of the attractive form of the report. There is room here for mention of only a few details, among which are the six parts of the survey. They were,

1 Organization of the Personnel Department
2 Functions of the Department
3. Wage and Salary Administration
4. Communication
5. Collective Bargaining
6. General

Mr. Robert T. Collins is President of the Society and is also Director of Personnel of New Departure Division, General Motors Corp., Bristol, Conn.

Conference Calendar

A new feature of Personnel Journal is the Conference Calendar, which appears for the first time in this issue. Consult it for the schedule of conferences and select the ones most interesting to you. We shall be glad to have information about any other conferences that are of interest to personnel and labor relations people.

Book Reviews

THE JOURNAL OF INDUSTRIAL TRAINING

Published bi-monthly by the American Society of Training Directors as the official publication. Vol. 1, No. 1, issued under date of June-July, 1947. Price $3 per year to individuals; gratis to members. E. L. Burkhart, Westinghouse Electric Corp., East Pittsburgh, Pa., Editor.

It has been said that Americans have a special genius for organizing clubs and societies and that there are more of such organizations in the country than there are people. Who do you know who does not belong to at least half a dozen of them? And yet each one of these organizations serves a purpose. One of the newest is the American Society of Training Directors which has an ambitious program in attempting to be of service to training directors in industry. Now comes an attractive thirty-two page magazine which is to appear bimonthly with articles and news designed for the interest of the industrial training director. The contents include half a dozen articles, a revised constitution, book reviews and several other departments dealing with different aspects of training. Of special interest to training men is the announcement of the annual convention to be held in Detroit in October. This is listed in the new "Convention Calendar" appearing for the first time as a special new feature of PERSONNEL JOURNAL.

THE WORK, TRAINING AND STATUS OF SUPERVISORS AS REPORTED BY SUPERVISORS IN INDUSTRY

By Bruce V. Moore, J. Ewing Kennedy and George F. Castore. The Pennsylvania State College, 1946

This is a study which was based on reports secured from individual supervisors to the number of 873, in industries throughout Pennsylvania. The results are arranged graphically and in tabular form as gathered by questionnaire. The questions were carefully designed to reveal various attitudes of the industrial supervisor. For example, to indicate what kind of person this supervisor is:

1. Average age—42 years
2. With present employer—16 years average
3. Has been a supervisor—11 years
4. Supervise—73 persons
5. Supervise both men and women—47% of total

Some of the findings, which are very interesting, are:

1. Chief responsibility—To know how to do the work, 1st by 290
   To show others how to do it, 1st by 253

2. To know how to handle men and keep them loyal 1st by 253
3. 59% say they "just carry out orders"
   15% say they help make policies affecting their departments
   21% do both
   69% consider themselves part of management
4. The most frequently mentioned source of irritation is bad management supervision from the top

Altogether a most revealing report on supervisor's attitudes.

HELP WANTED

SITUATION WANTED

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, EDWARD N. HAY. Secretary, D. D. HAY

Volume 26 *Number 4*

Contents for October 1947

EDWARD N. HAY, *Editor*

D. M. DRAIN, *Circulation Manager*

"I Like People"

Every personnel interviewer gives a few hours a week or month to the eager job seeker who says he would like to get into personnel. There comes that moment in every such interview when the aspirant is asked for the reasons why he thinks he is qualified for a career in personnel. "Well, I like people," is the almost invariable response. Sometimes this is bolstered by something a little more tangible; perhaps some Army or Navy experience in "classification." Not infrequently the candidate offers some "courses in personnel." Not that all of these are not good things to start with; indeed, essentials. But there is a general lack of understanding of what it takes to make a good foundation for a personnel or labor relations career. First, it certainly does require an interest in people. It is to be doubted, however, whether the best kind of people-interest for a top personnel man is the kind that is concerned chiefly with the small details of life. After all, the big personnel jobs in industry, government and education are "top management" jobs; at least in well-managed organizations. And the chief characteristic of jobs at the top level is a concern for the larger strategies of the organization as a whole and the need for coordination with other top executives. This means, in turn, that the personnel man must have a thorough knowledge of the business as a whole; something that is not to be gained from "courses in personnel," or in any other way than by a long apprenticeship in business itself. It is interesting that more top personnel and industrial relations men of today received their basic education and early experience in engineering than anywhere else. Perhaps two important inferences can be drawn from this circumstance; first, the mental ability of top ranking personnel men is of a higher than average order, even among college graduates; and second, there is something appropriate for personnel in a scientific training and interest. Some of the leaders in the field think that both of these reasons are in harmony with the fact that the study of man is a logical foundation for personnel and further that the study of man is in the field of science. These sciences are psychology, sociology and anthropology, which study man's mind and spirit, his social behavior and his history and development. A few successful personnel people have made great use of their knowledge in these fields of science and they conclude, with some show of reason and evidence, that every fully qualified practicioner in the field of personnel must, necessarily, be well-grounded in these sciences, as well as in that branch of mathematics which deals with the manipulation of social data—the statistics of probability. "Secure a good blend of the right practical experience and theoretical knowledge," seems to be the advice that can safely be given to the young person who aspires to a career in personnel.

The Taft-Hartley Law

The new labor law went into full effect on August 22nd, as this is written. It remains to be seen just what effect it will have on employer-union relations. Too many people think it is going to bring about a revolution and put unions "in their place." Successful labor relations men know perfectly well that it will do no such thing. People who have not "lived right" under the Wagner Law are not going to be cured suddenly of their ills by the mere passage of a law. It will be as necessary and as difficult as ever for management and labor to live together but men of good will are going to work hard at it as before. Frank Rising, in his "Memo to Management" says "Employers need more simple explanation of what the law does and what it does not do. Few employers, apparently, have sent such descriptions out to their people; and more should."

Group Dynamics

Studies are now going on in several places concerning the behavior of people in groups. Smith as an individual behaves in a certain way, determined chiefly by the history of his earlier life. Brown, too, as an individual has his own way of expressing himself. When Brown and Smith work together on a problem each one's way of working influences the other. So that Smith and Brown working together behave sometimes in ways different than when alone. The study of so-called "group dynamics" is the study of these inter-personal relations. The Massachusetts Institute of Technology has long had a progressive Industrial Relations Section, the work of which was supplemented several years ago by the creation of the Research Center for Group Dynamics. This has been staffed by some of the ablest and most progressive thinkers and includes psychologists and sociologists. Other studies of group dynamics are being conducted by the National Education Association and by the Murray group of the Department of Psychology at Harvard.

While basically these studies are to make new discoveries through research, a beginning is being made in their practical application to working situations in industry. A report dealing with group dynamics appeared in *Personnel* for May 1946 under the title, "Role-Playing in Supervisory Training." In this kind of training, emphasis is placed on "learning by doing" rather than by attempting to change supervisors' attitudes by discussion or by supervisory instruction. Role-playing of this kind has been adapted from the sociodrama of Moreno and gives the trainee an opportunity to learn how, for example, to deal with a grievance by actually playing it out, instead of by talking about it or reading a lesson assignment. The effect on the trainee is markedly greater and different. Industry will do well to watch what the colleges and other research groups are going in their studies of group dynamics.

Conference Calendar

October

2-3 New York City, Hotel Pennsylvania.
American Management Association, Personnel Conference. James O. Rice, Manager, 330 West 42nd St., New York, 18, N. Y.

6-10 Chicago, Stevens Hotel.
National Safety Congress and Exposition. Ned H. Dearborn, President, 20 North Wacker Drive, Chicago, Ill.

8-11 New York City, Hotel Commodore.
Governmental Research Association.

13-14 Chicago, Hotel Drake.
National Association of Suggestion Systems, National Conference. P. A. Denz, Chairman Public Relations, % Remington Rand, Inc., 465 Washington St., Buffalo, 5, N. Y.

13-17 New York City, Hotel New Yorker.
National Recreational Association, 29th Congress. Thomas E. Rivers, Secretary, 315 Fourth Avenue, New York, 10, N. Y.

16-18 Detroit, Book-Cadillac Hotel.
American Society of Training Directors, Annual Convention. R. L. Packard, Educational Director, Packard Motor Car Co., Detroit, Mich.

20-21 New York City, Hotel Commodore.
American Management Association, Office Management Conference. James O. Rice, 330 West 42nd St., New York, 17, N. Y.

20-23 Palm Springs, California.
Fifth Annual Employer-Employee Relations Conference. Chas. A. McKeand, Director of Industrial Relations, Merchants and Manufacturers Association, 725 S. Spring St., Los Angeles, 14, Calif.

21-22 Berkeley, California.
California Personnel Management Association, 18th Pacific Coast Management Conference. Everett VanEvery, Managing Director, 442 Flood Building, San Francisco, 2, Calif.

23-25 Columbia, Missouri.
Industrial Management Conference on labor relations. University of Missouri and Associated Industries of Missouri, Society for the Advancement of Management, Industrial Council of Kansas City and the Industrial Relations Club of St. Louis. Robert C. Manhart, Chairman, Arrangements Committee, University of Missouri, Columbia, Mo.

23-25 Austin, Texas.
Texas Personnel Conference. University of Texas. Charles T. Clark, P.O. Box 2114, Univ. of Texas, Austin, Tex.

30 Cincinnati, Netherlands-Plaza Hotel.
Society for the Advancement of Management, Conference on Human Relations. Carl S. Coler, Executive Director, 84 William St., New York.

November

17-2[illegible] Dallas, Texas. Baker Hotel.
Public Personnel Administration Conference. Civil Service Assembly, 1313 E. 60th St., Chicago 37, Ill.

20 Pittsburgh, Mellon Institute.
Industrial Hygiene Foundation of America, Inc., Annual Meeting. John F. McMahon, Managing Director, 4400 Fifth Avenue, Pittsburgh 13.

21-22 Philadelphia, Hotel Sheraton.
Labor Relations Council of Chamber of Commerce Conference. H. L. Tolan, Chamber of Commerce of Phila., 17th & Sansom Streets, Philadelphia, 2.

Too many "experts" recommend this or that as a "sure-cure" for almost any industrial relations problem. This is a plea for more research in personnel and for a rigorous testing of every proposal against some objective standard of success.

Research Needed in Personnel Adminstration

By Arthur W. Ayers, Manager Personnel Relations, American Viscose Corporation.

Personnel management, as an orderly approach to employee-employer relationship, has lived long enough to have grown beyond adolescence, but it is just beginning to show signs of maturity. It surely cannot be dignified as a profession until more of the requirements of such standing are attained. Since personnel administration is dependent upon the advancement of knowledge in the social sciences, perhaps an examination of thinking in this direction will help us.

Mr. R. W. Leeper in the April, 1947, issue of "The American Psychologist" comments on action taken on social science legislation in the last Congress:

> "In defense of the S. 1850 provision, Senators Kilgore and Magnuson pointed out that in the hearings on the bill it had been urged that provision should be made for support of such research as soon as a program could be constructed and could find approval by the other members of the National Science Foundation. As Senator Kilgore said,
>
> 'The feeling was that the natural sciences and the social sciences were linked together; that it was very hard to separate foundations, and that therefore they should be included in this measure, with the provision, however, that their program must be submitted and must be approved before any work can be done.' (Cong. Record, p. 8350).

Still more strongly, the idea of a social science division was supported by Senator Fulbright of Arkansas and Senator Thomas of Utah. For instance, Fulbright said,

> 'It seems to me that social science is a recognized field of study now. It has been sadly neglected for the very reason that it does not yield immediate financial returns such as the invention, for example, of a . . . useful gadget. For that reason it needs governmental assistance a great deal more than mechanical engineering does, because the study of mechanical engineering brings its own rewards under our commercial system . . . If one looks at the situation in the world today, or even at

the situation in our Nation today, he will find that the difficulties lie not with respect to the production of tangible things, but with those human relations which enable us to get along together.' (Congr. Record, pp. 8164–5).

The Task of the Personnel Department

As this thesis was in the making, the Taft-Hartley Bill became law. Whether morals can be legislated, or whether a way of living together as prescribed in employer-employee relations policy can be enacted, will long remain debatable. But the blind faith in a change of balance of power in this relationship by many in the ranks of Management and Labor is a crystal clear indication of the long road we must travel.

Perhaps another good indication of lack of understanding of what is involved comes to light when some companies decide to employ a Personnel Director and establish a Personnel Department. Because the decision is made by human beings it is not uncommon for it to be borne of such a disastrous state of employee relationship that *any* move will lead to betterment. Since selection of a man is not uncommonly dependent on what someone says about him (whether the reference has accurate knowledge is immaterial) and since the choice is heavily dependent on the interview it is natural that selection is based on the one who can promise most. The applicant in such a situation who admits he doesn't know all the "answers" but expresses the belief that he can help find them commits job suicide.

The effectiveness of a Personnel Department cannot begin to be assessed until management has had some success with its methods and thereby understands its function. Often such success is dependent on a change of attitudes and much hard work on the part of each "line representative" in putting new attitudes into practice. The crowning disillusionment of course comes when the line organization finds that it must pull most of the load and that the most that can be expected from the Personnel Department is intelligent guidance.

Probably too much has already been said about the foreman's problems; but the task which confronts certain segments of management demands the clearest thinking that can be mustered. Consider the tremendous job and the wisdom needed to redesign the attitudes of many management people and to restore some degree of constructive inter-personal relations. This is a challenge to Personnel people who honestly seek understanding of human relations problems.

Research in Personnel

Making an analysis of all articles appearing in the "Personnel Journal" and "Personnel" for the past five years it was found that less than ten per cent of those published had any basis in *measured* results. Many were exhortations (as is this one) but were also fundamentally lacking in providing the "How" of accomplishing end results and were based primarily on "expert" opinion rather than research. To be sure, these periodicals are not research organs and we do have many sources in those of the related sciences but they do reflect the direction of our thinking and it is not

that of a research-minded profession. It is hoped that the day of "experting" in setting up and assessing results of personnel techniques will soon be over.

Quietly an encouraging number of industrial concerns are turning to a systematic approach to industrial relations. Occasionally an effort appears in print to give impetus to research in human relations. One worth noting is found in "The New York Times," Section III, May 18, 1947, which is reproduced in part:

> "Business men, economists and educators are beginning to study the American economic system more than ever before. A striking indication of this trend of thinking is the proposal made by Charles Luckman, president of Lever Brothers Company . . . for the study of our economic system and how to make it work most effectively.
> . . . . . Twenty-nine of the country's leading universities are engaged in labor relations research and forward looking corporations and unions have indicated more and more interest in these projects . . . . Impartial research in the field of labor-management relations has suffered from lack of financial support. Billions of dollars have been put up for academic research for technological progress. Comparatively little has been invested in the study of the social sciences as they apply to the problems of the human relations of industry. Mr. Luckman's $100,000 offer to start a $1,000,000 annual fund is a sign of the times".

Progress Takes Little Bites

Each industrial concern has an obligation to explore a part of the problem, however small, so that ultimately we can begin to fit the pieces together and form the beginning of a unified whole. Much help can be derived from a closer alliance between personnel managers and college professors. The Economics of Psychology or Sociology professor can not point out the road to be traveled but he can help us to find it. It is only through this liason that human relations research can go forward in adapting laboratory findings to factory and office. The dissemination of these research products must follow but channels for so doing can readily be established.

Urgently required is wide-spread research in a need expressed by all levels of management in recent surveys; namely, help in improving their person-to-person dealings with those they supervise. "Package Courses" will not suffice; we must adopt a trial and error attack with a variety of approaches, such as supervisory conferences for free discussion of management problems; individual coaching and counseling; conferences designed to assess the application of human behavior finding of Psychology and Sociology. These and many other approaches need exploration and *follow-up by the measurement of outcomes!* We have made sufficient progress with interviews, questionnaires and opinion surveys to get reasonably reliable results (by inquiring of associates and those supervised) concerning improvement in supervisor-employee relationships. We have statistics as a tool to assess the validity of our findings. If our ideas do not survive this ruthless examination we must remember that failures form the skeleton of success and we should therefore profit from them. As one prominent industrialist has said, we know at the very least that it is not necessary to try "that one" again.

Performance, or merit, rating is apparently one of the simplest of all personnel devices but one of the most misunderstood. It is so indispensable that everyone uses it—often with unfortunate results. This is another valuable and timely paper on this important subject.

Employee Performance Rating

By Alfred J. Cardall, Management Consultant

In the entire field of personnel administration no tool is so badly needed, or so generally misused as performance rating, or merit rating as it is commonly miscalled. Performance rating is indispensable to sound salary and wage administration and is vitally necessary to intelligent upgrading and promotion. There are indeed many ways in which performance rating helps in the better understanding of an employee; his future development, remotivation, training, or remedial counseling. In the early stages of performance rating design, however, too much emphasis on the "by-products" will deflect attention from the two basic purposes just mentioned. Emphasis on these by-products in current literature is in direct proportion to the lack of "know how" in their application.

The Purpose of Performance Rating

Let us restate the two basic purposes of performance rating:

1. An effective aid in setting fair pay for employees on unmeasured day work and for those in supervisory or executive positions.
2. A means of disclosing promising employees who may thus become candidates for upgrading or promotion.

When these two objectives are reviewed it will be evident why the phrase "performance rating" is superior to the phrase "*merit* rating." The many poorly designed gestures which are commonly being made in the name of merit rating, and the all-too-frequent notion on the part of organized labor that a "merit increase" is earned solely by length of time on the job, puts the word *merit* in dispute. The use of the word *performance* concentrates attention on the actual nature of the tool and precludes our rating an individual on his personal *qualities*, which more properly are considered in his initial selection or further development. Performance rating, therefore, as we shall first discuss it, is the specific tool by which we correctly place an individual within his salary range in direct relationship to his *performance* relative to others in the same or similar jobs.

Performance rating determines the *worth of an individual* in exactly the same way and as specifically as *job evaluation* determines the relative *worth of a job*. The two are indispensable to any management which stands for fair and equitable treatment of its employees, and is sufficiently cost conscious to want full value and fair distribution of its payroll dollar. Between job evaluation and performance rating there is a close parallel in theory and design. If the first is not understood, there is little use in devoting time and attention to the second. Just as job evaluation is designed to calculate the correct positioning of a job in accordance with its relative difficulty and value within your organization, so does performance rating reflect the proper positioning of an employee in the salary range attached to that job. Performance rating without job evaluation is quite impossible; job evaluation without performance rating is a job half done.

Job evaluation depends on a number of factors which are common to all jobs being considered and in which different levels of "sense-units of difference" can be recognized. So too does performance rating depend on factors which are functional in actual performance and can be recognized in progressively greater units of value. These factors must be minimal in number, unique (statistically independent of each other as far as possible), have specific and generally understood meanings, and lend themselves to the numerical assignment of step values for successive sense-units of difference. The selection of factors, their step values in a range and their relative weightings within a single index are neat problems in psychometrics.

Management Must Know What It Expects

The first approach, however, cannot be made by the measurement technician but must be made by management. No competent technician will tell you what *your* standards of performance should be. Most management men have very vague ideas as to what they actually expect from their employees in the way of performance, and this goes far to explain why neither their selection techniques, training methods, nor supervisory practices are pointed towards any specific kind of performance. A common reason why operating costs are high is because executives vaguely expect a kind of performance which they have never defined, which their employees have never understood, and which no one attempts to evaluate. It is this vagueness which frequently makes it necessary to help executives responsible for performance crystallize and define what those standards should be. Again, while no good consultant will tell you what your standards should be, if he has had extensive experience in the actual operation of similar enterprises his first task in designing performance rating procedures would be helping you to set standards of performance which are 1. Functional, 2. Observable, and 3. Measurable.

It is unnecessary to stress the advantage of knowing what you expect of your employees, nor is it necessary to bear down on the advantages of an employee knowing what is expected of him, and the factors which go into a greater "take-home."

Knowledge on the part of an employee as to what factors will be considered in upgrading and promotion is a powerful non-financial incentive which exerts a strong psychological pull towards better performance. The periodic consideration of these factors keeps both employees and supervisors constantly aware of their implications. Starting, then, with the few essential factors that go into good performance, and with such factors as meet the specifications laid down, it is appropriate to consider the form on which are recorded the observations of those responsible for such performance. Borrowing forms, even within the same general industry and job area, will be of little more specific use to you than your mother-in-law's spectacles. By chance they might fit but the statistical likelihood is not great.

The Design of the Rating Form

The design of the form starts with a recognition of standards of performance. But it must take into consideration also the management framework, the general level of ability of raters, the relative number and groupings of employees, job evaluation procedures used and the background of existing salary and wage policies. Rating forms can meet the specific questions as to how they are to be applied, by whom, and how the results are to be tied in to existing salary and wage planning. Of the many methods that have been used in ratings those of ranking, grouping, and man-to-man are the most useful. (If you have been fortunate enough to develop *fixed* standards of performance then, of course, you have a problem in measured work to which you can simply apply the usual methods of wage incentives.) In dealing with the problem of evaluating unmeasured work the only fixed point of reference is minimum competence—that point at which the job is understood well enough to do it, but no better than is necessary. The minute we consider what is *average* performance we are considering the individuals themselves assigned to that work. What constitutes *below average* or *above average* can only be determined by relating the performance of an individual to the central tendency of that particular group.

Occasionally you may hear a supervisor say that *all* his employees are either *above* or *below* average; the absurdity of such a statement is immediately apparent. If, on the other hand, he can relate the performance of a small and unusual group to the evaluated performance of a larger and more normally distributed group his statement has significance and can be used in a further refinement of our procedures.

Weaknesses of The Graphic Scale

By way of illustration, the common type of rating form perpetrated on most organizations by untrained personnel men is the so-called graphic scale. A graphic scale is a simple device by which the rater merely checks a point on a line, aided possibly by descriptive paragraphs or phrases. This point indicates where he feels the ratee stands between the points of inferior and superior performance in respect to this specific factor involved. The supervisor with a persecution complex, and who feels that the personnel department never gives him anything but duds will pretty

consistently use the low end of all scales. The supervisor who is impressed with his own ability may feel that the very fact that an employee is under his direction indicates his own competence and he will use the other end. In actual point of fact, if a supervisor consistently uses one part of the scale it makes no difference as far as the rating is concerned whether it is low or high; he has in effect rated all his men as *average* because he has indicated no deviation from his own *central tendency*. The uncontrolled graphic scale is subject to other ills, such as the motor tendency or halo tendency. The motor tendency refers to a habit of checking all ratings in either the high, middle or low part of the ranges. Halo is the tendency to rate all factors in line with one factor in which the employee is conspicuously good or bad.

From the foregoing it should be apparent that statistical controls can be used to equate all ratings, since any numerical scale lends itself to the computation of *averages* and *measures of dispersion*. But while it is possible to impose statistical controls on poor rating methods, the best control is to stop the debauchery in the first place. Poor forms seldom are accompanied by good statistical analysis.

The Advantages of Group Judgments

Graphic scales with the specific assignment of point values to successive steps is, on the other hand, a useful device if positioning on a continuum is determined by an individual's relative standing within his group. For accurate rating, knowledge of the group is as necessary as knowledge of the individual's performance, for the assignment of a value is only possible in relationship to others. The training of supervisors in recognizing these differences is necessary and, apart from getting a specific job done, pays off in sharpening their understanding of what good performance is in specific areas. This training is best accomplished in the actual process of rating itself and the great advantage of concensus rating should not be overlooked. By concensus rating is meant pooling the judgments of several supervisors of all the employees within a specific job area and within closely related salary grades. Obviously any man's rating of any one individual is usually not reliable as a salary and wage guide and though it is still widely used it is in direct opposition to our present day thinking, which is that no one's job destiny should be in the hands of a single individual. A man's hiring, job assignment, change in status, salary or wage determination must rest on more than one point of view; preferably two levels of supervision and centralized personnel. In concensus rating, therefore, we find the following advantages:

1. Standardized training of raters which in turn brings about
   (a) common understanding of factors used,
   (b) training in recognizing sense-units of difference
   (c) understanding of overall company policies
   (d) training in management thinking, and
   (e) more agreement in ratings through group discussion
2. The viewpoint of two or more levels of supervision and related viewpoints such as personnel.

3. A direct computational tool by which a percentile or other numerical value can be applied against salary range.
4. Simplification of administration and reduction in the statistical controls which would be necessary to equate ratings so that they would be directly comparable.

The general principles involved may be illustrated in a simple way when a group of closely related executives sit down and rate their secretaries. Do not make the mistake of assuming that your fellow executives cannot judge the performance of your secretary; a significant part of her work is the effectiveness with which she can handle administrative detail between your desk and his. In comparing any secretary's performance with any others, several viewpoints are necessary. The fallacy of unrelated judgment is apparent, because whenever a salary figure is set and regardless of who sets it, some attempt has to be made at "company consistency." Thus, concensus rating is a step in the right direction.

Those of you who are interested in the specific application of these methods to the more complicated problem of supervisory or executive ratings, might glance at an article I wrote sometime ago for "Modern Management," and which was summarized in the December issue of "Management Review." It describes in more detail the mathematical application of concensus rating applied to a group of foremen in a large company of which I was then a part.

Don't Rate Anything You Already Know or Can Measure

Rate the factors which cannot be measured but do not waste time rating factors which can be objectively determined. For example, there is no need to rate a foreman on *housekeeping*, if his relative position has been previously determined by a housekeeping index rating; there is no need to rate him on a safety program when accident ratios are available; no need to rate him on his effectiveness in training employees if you have a Training Department whose job it is to make such evaluation, no need to rate him on his contribution to related departmental problems when you have regular foreman's meetings and proper records, or a suggestion system; no need to rate him on his attendance when you have attendance records. Granted that these things should be taken into consideration in determining his pay; consensus rating or individual rating should only be applied against factors which are not already determined by other records of performance. Above all, do not rate again on the factors which went into an individual's selection or on factors which determine the worth of the job by job evaluation. Progressive development of some of the selection factors which are important in upgrading or promotion may be made at the time of rating but a careful distinction must be maintained between the ratings of *performance*—of what the employee has done—and the ratings of *potentialities* as a consideration in change of status.

Rating for Upgrading or Promotion Is Different

This brings up the second phase of performance rating described at the outset as related to upgrading and promotion. Any change of status should reflect the crystallized viewpoint of several superiors including at least two levels of supervision and personnel. To this is added objective evidence wherever it may be found, and the anecdotal records accumulated in the Personnel Department. In considering performance ratings, however, as applied to upgrading or promotion it is well to distinguish carefully between the latter two terms. They do not mean the same thing and the tendency to confuse them indicates the fuzziness of many managements in dealing with their manpower problems. *Upgrading* means moving an individual from one job to another within the same job area, but calling for a higher level of skill or the addition of related skills; in short, "up a grade." Promotion on the other hand, indicates raising an individual from one *level* within the organization to another which not only calls for a *knowledge* of previous job skills, but frequently the actual practice of very different and more complex skills. An illustration of the first, is the move from stenographer to secretary; of the second, a change from stenographer to supervisor of central transcription. Performance ratings are much more useful in upgrading, downgrading or transferring an employee than in promotion. Where performance ratings are used in considering promotions specific factors designed for that purpose are added.

The many other incidental uses of performance ratings depend on their design. How far ratings can be discussed with employees depends on how well supervisors have been trained to discuss such ratings constructively and the extent to which employees are ready to participate in such discussions. Will such discussion improve morale, increase production, increase readiness for advancement or will it leave a chain of psychological scars?

If You Can't Have Good Rating Methods Don't Have Any

It should be stressed that no rating at all is better than poor rating; adding to confusion does not reduce it. But if you are willing to stick to some of the simpler phases of performance rating you can "ooze" into it gradually under proper direction.

All this may seem somewhat technical—and it is. The design of rating forms and procedures is the highest craft of the personnel instrument maker and calls for extensive professional training in psychological measurement and broad experience in actual operating problems. It remains an area in management in which the best is none too good, and anything less than the best is dangerous.

Based on talk given at the 29th annual Silver Bay Conference on Industrial Relations, July 24, 1947.

Labor relations people will find this article a mine of practical information on the intricate problem of negotiating a labor contract.

Negotiating the Collective Bargaining Agreement

By Richard C. Smyth, Director of Industrial Relations, Bendix Radio Division of Bendix Aviation Corporation, and M. J. Murphy

The First Meeting

In the case of the initial contract the first bargaining meeting between the negotiators is important both because it marks the active beginning of the collective bargaining history of the parties and because what transpires at this meeting will, to some extent, determine the trend of the subsequent negotiations. At this time the members of the management committee have an opportunity to "clear the air"—to indicate by their demeanor and their statements that the negotiations will be conducted in good faith between equals.[1] Likewise, by quiet, business-like conduct, the union committee has an opportunity to impress and reassure management.

After general introductions have taken place, management's spokesman, particularly if the negotiations are taking place on company property, might well indicate the company's sincere desire to see the bargaining proceed as rapidly as possible and lead to an agreement acceptable to both parties. It would be suitable at this point for the union's negotiating spokesman to reply in kind, thus setting a desirable general tone for the series of succeeding conferences.

Sometimes one or both of the parties will enter negotiations in a blustering, bellicose fashion, with the result that antagonisms are immediately generated. These tactics only make the bargaining situation more difficult and as long as such attitudes persist, it is rarely possible to arrive at a satisfactory agreement. In addition, if the employer is the prime offender, employee members of the union committee will quickly report his attitude and antics back to the shop, thus developing avoidable resentments and complicating the company's industrial relations problems.

[1] The National Labor Relations Board has pointed out that the employer is obligated to treat the union with "the same [illegible] with which it conducted business relations." "Fourth Annual Report of the National Labor Relations Board," p. 68.

Discussion of the Union's Proposed Contract

Occasionally the union will mail a copy of its proposed contract to the company prior to the first meeting or, as sometimes happens, the parties may exchange copies of their respective contract proposals before they meet to commence negotiations. If this is not done, the union normally will present the document at the meeting. However, in some cases, as of the time the parties first meet, the union may not have prepared its demands in written form at all. In such a situation the management spokesman should certainly request the union committee to submit their proposed contract in writing. This request is eminently reasonable since fewer misunderstandings are apt to result when working from a written document than when considering oral proposals and also since under the Labor-Management Relations Act either party can insist that the contract finally agreed upon be reduced to writing.

If the union's proposal is available, it is helpful to devote the first meeting to a reading and general discussion of the contents. Each clause is usually reviewed to clarify its purpose and intent. During this review, the various members of the union's committee should be permitted (and encouraged) to talk freely, management's objective being not merely to clarify the meaning of the clauses but also to assess the relative importance of each in the minds of the committee members. In view of this, the company's representatives should ordinarily avoid offering many specific comments or entering into extended arguments over any of the issues at this time.

When a lengthy set of demands is presented by the union at the first meeting some management negotiators question the advisability of reading and discussing them as outlined above. These negotiators prefer to call for a recess in order to analyze the proposals and prepare questions on sections that are not clear. When this has been done, they then return to the negotiating session and discuss the items which they feel require clarification. In other cases management may prefer to review the union's demands privately after the first meeting has been finally adjourned.

After examining and discussing the union's proposals the management negotiators, as a rule, will have little difficulty in grouping the clauses into three broad classes: (a) those that were included in the proposal for their "trading" or "swapping" value; (b) those that represent fundamental issues in the eyes of the union or the employees; and (c) those that the union would like to gain but actually has very little hope of securing. In addition, one or more unusual clauses will often be found in the union's proposal as the result of the insistence of some one employee or of a small group of employees. As might be expected, the union committee as a whole will in most cases be basically disinterested in this latter type of clause. If this is the case, the committee, although it will go through the motions of pressing the issue, will count on management to convince the interested employee (if, as frequently happens, he is a member of the committee) of the inadvisability or impossibility of granting the request.

After the union's proposal has been jointly reviewed, the company's spokesman will as a rule inform the union that management will prepare comments or counter-proposals for the next bargaining session. The experienced union negotiator will not be surprised or annoyed at this since he will recognize that the first meeting is actually just a setting of the stage. In essence, the general review of the union's proposed agreement is a prelude to the real bargaining which will come in subsequent meetings.

Definition of Binding Commitments

Before the first meeting is adjourned many management negotiators feel that it is advisable to indicate to the union that all agreements on individual clauses are tentative and will not be considered binding until the final contract has been signed. In view of the myriad of comments, proposals and counter-proposals that are made by the parties during the course of bargaining, it is obvious that some such understanding is necessary. The need is even greater where the practice has been adopted of initialing individual clauses as they are agreed to. Otherwise, it is possible that the initialing might subsequently be construed as binding. In order further to clarify the point it is desirable to specify that, regardless of when various tentative agreements are reached, the effective date for all clauses will be the date on which the contract is signed. This makes it quite clear that parts of the agreement will not be applied retroactively, unless, of course, specific retroactivity provisions have been negotiated and included in the agreement by the parties. Needless to say, management's position on the above points will be strengthened if it is presented in writing to the union at the beginning of negotiations.

Another aspect of the problem of the definition of binding commitments is that of the status of oral agreements or "understandings" reached during the negotiations. Since the parties to collective bargaining seldom air their contract troubles in courts of law, the question here is not so much one of the legality of such understandings as it is of their *meaning*. Like gossip, oral agreements have an unfortunate tendency to become distorted with the passage of time. As a consequence industrial relations problems are sometimes needlessly generated.

If all understandings are put in writing much trouble of this type can be avoided. To be sure, it is still possible to disagree over the interpretation of what has been written. However, there is a concrete basis from which to start in such cases. This makes the whole problem much simpler both for the parties and, as provided in many agreements, for the arbitrator.

Some managements and unions have resolved the problem of misunderstandings over oral commitments by agreeing to a contract clause specifically denying their existence. The following taken from a current labor agreement is an example:

"All understandings and agreements between the parties are incorporated in this contract. There are no oral understandings."

On the other hand, one or both parties may be reluctant to go on record with so

definite and strong a clause. Thus managements occasionally will request that an agreement be left on an oral basis or be covered by a letter which will not be a part of the signed agreement. There are many reasons for such requests. For example, small parts manufacturers in some instances have not wanted their large customers to know of certain contract provisions that have been agreed upon. Sometimes, too, executives have feared ridicule from associates in other concerns if the nature of certain of their commitments to the union were known.

Authority of Negotiators

As has been previously discussed, it is advisable for each side's negotiators to ascertain the extent of the other's authority. The company spokesman might well ask whether or not the union committee is empowered to make binding decisions and to sign the final agreement without further approvals. In almost all cases the reply will be that the committee has no final authority and is empowered to agree only tentatively. In turn the union spokesman may want to know whether or not his management counterpart must receive final approval of tentative agreements from higher authority.

If each side clearly understands the limitations on the authority of the other, many subsequent recriminations and embarrassing misunderstandings can be avoided.

Payment of Employee Negotiators

During the first meeting the union will most likely raise the question of payment for the time spent in bargaining meetings by the employee members of its negotiating committee.

Some management negotiators feel that it is wholly unreasonable to expect the employer to bear the cost of time spent by union negotiators in the union business of negotiating a labor agreement. During World War II this viewpoint was usually shared by the War Labor Board which once stated that the cost of negotiating a contract is one that the union should be willing to bear. On the other hand, some managements pay their employees for all time lost from work in collective bargaining negotiations and others pay for half the time lost, on the grounds that the proceedings are of mutual interest to both the union and the company.

Interim Agreements

Near the beginning of the negotiation of the first labor agreement between the parties the union may suggest that, since the bargaining will undoubtedly extend over a protracted period of time, certain subjects should be covered in an interim agreement which would be effective until such time as the final contract is signed. If this is suggested, the union will probably want to include a temporary grievance procedure as well as seniority provisions and some items of a monetary nature. In addition, if it is close to the vacation period, a request may also be made for an interim agreement covering a vacation plan.

There is much to be said in favor of instituting an interim grievance procedure,

especially where the first contract is with an aggressive union—a fact which will probably contribute to extending the length of the negotiating period. Such a procedure will permit many petty employee grievances to be settled that otherwise might become serious and will help generally to maintain sound industrial relations in the concern while the negotiations are progressing. This is advantageous, of course, for both the union and the company.

However, certain potential hazards are involved which require the exercise of great care on the part of management in the handling of grievances under an interim procedure. There is always the danger that, not knowing what provisions the final agreement will contain, supervisors or other management representatives may establish highly undesirable precedents in the course of settling grievances. If this should happen it will put the company at an unnecessary disadvantage in the negotiations since the union can use these precedents to provide concrete and factual support for their demands. As an example, if the company is attempting to negotiate a clause providing that both ability and seniority will be considered when making promotions, it is a serious handicap to find that the union is able to cite current grievances over promotions which have been settled on the basis of the factor of seniority alone. To avoid this problem some management negotiators prefer to handle any grievances that may come up during or after the bargaining sessions.

However, if management agrees to the use of an interim grievance procedure it might well be stipulated that all grievances handled under the procedure must be settled solely on the basis of the policies and practices currently existing in the concern. Further, it shuld be made clear that the last step of the interim procedure shall terminate with management.

From the company's point of view it is doubtful if, in most cases, any issues other than the grievance procedure should be covered by an interim agreement. To do so may well slow down negotiations, particularly if the union secures on an interim basis the points in which it is most interested. Furthermore, the bargaining position of one or the other of the parties may be weakened by granting such agreement on points and issues that could well have been held back to enhance their legitimate subsequent bargaining value.

In the case of negotiations after the expiration of an existing contract there is no problem of interim agreements. The bargaining sessions are usually started prior to the terminal date of the existing contract and, if they run past this point, it is customary to extend the life of the previous agreement for a few weeks in order to span the time interval. Any such extension, of course, would have to be mutually acceptable and should be set forth in written form and signed by both sides.

However, in some cases one or the other of the parties may refuse to agree to an extension, either as part of an effort to expedite negotiations or as a device to force the opposition to accept more favorable terms. For example, the United Mine Workers usually refuse to extend their expired agreements. As the president of this union, John L. Lewis, once put it: "We will not trespass upon the mine owners' property."

Preparation of Management's Counter-Proposals

The union's demands cannot merely be ignored or laughed off as preposterous. The National Labor Relations Board has stated that management must negotiate "in good faith in a bona fide attempt to reach a collective bargaining agreement." Likewise, in the past the most important element of negotiation procedure attributed by the Board to the requirement of good faith was the counterproposal. Even though the new Labor-Management Relations Act does not require either party to agree to a proposal or to make a concession,[2] nevertheless in terms of the practical realities of bargaining some counterproposals or concessions, on both sides, are necessary if the parties are ultimately to reach agreement.

Regardless of how much difficulty and strife may ensue in the intervening time, there are ultimately only three possible ways of disposing of the union's demands. Eventually, every clause requested by the union will have to be settled in one of these three ways:

1. Either the union must drop the clause;
2. Or management must accept it;
3. Or the parties must agree on some modified version of the clause or on some substitute which will be mutually acceptable.

In preparation for the forthcoming bargaining sessions it is important that, after the first meeting, the management negotiators carefully review the union's proposals in the light of the foregoing three possibilities. To derive maximum benefit from such a review, management should be well fortified with facts and should use them in an intelligent and systematic manner. As a desirable first step, each clause proposed by the union should be considered in relation to the company's existing policies and practices in order to ascertain in detail the extent to which it goes beyond what is currently in effect. In addition, the demands should be checked against the policies and practices of other firms in the same industry and in the same geographic area. The data accumulated through surveys of these industries should be utilized for this purpose. Finally, a careful analysis should be made to determine the effects that the various clauses in the union's proposal would have, if accepted, on the cost of producing the products or services of the concern, as well as the extent to which they would unreasonably restrict or interfere with management's operation of the business.

Advantages of Using Counterproposals

The use of counterproposals is an important element of collective bargaining. Their prime value to management is fourfold:

1. The submission of counter proposals tends to influence favorably any conciliator, mediator or arbitrator who might ultimately enter the case.

[2] See: Section 8(d), Labor-Management Relations Act of 1947.

2. While "the making of a concession" is not required under the Labor-Management Relations Act, nevertheless, the submission of counterproposals to the union will undoubtedly react to management's advantage just as it did under the National Labor Relations Act. The following statement taken from a past decision of the Board is a good illustration of this point: "Consideration of . . . the successive counterproposals of the respondent, and its substantial concession, leads us to conclude that the respondent negotiated in good faith and that it sought to reach an agreement with the Union."[3]
3. The counterproposal is an important element in bargaining strategy. Once management determines what it is willing to give on any specific request, a counterproposal for an even lesser amount or degree has a useful negotiating potential. One company representative expresses this thought as follows: "In preparing this counterproposal, it would be nice to set forth the provisions in as liberal terms as you would be willing to agree to; but unfortunately, from my own experience and from discussions I have had with other company negotiators, this is seldom possible. There must be room for compromise."[4]
4. The use of the counterproposal tends to put the initiative of bargaining in the hands of the side that makes the offer. The one party is forced to cnsider the other's proposal and either accept or reject it, or, in turn, make a further counteroffer. The psychological advantage of securing and retaining the offensive in negotiating is not inconsiderable.

It should be recognized, of course, that the counterproposal is not exclusively a management device. On the contrary, the reasons set forth above in support of management's use of this bargaining weapon apply equally in the case of the union. Unions can and do utilize counterproposals to good effect during negotiations.

However, while counterproposals are an important phase of collective bargaining, one side or the other will occasionally make a demand that is so basically unacceptable as to permit no compromise. Obviously, when such demands are made, the recipients have no recourse but to reject them. In this case the basic reasons for not being able to accede should be made clear to the other side at the *proper* time during the negotiations.

Management Demands of the Union

All too frequently collective bargaining agreements are merely compilations of what the company must do or cannot do. Many management negotiators, although they may make effective use of counterproposals, have overlooked the practical value of making specific demands of their own upon the union. The president of one company aptly states this viewpoint as follows: "Management does not seem to realize

[3] See: Adams Brothers Salesbook Co., National Labor Relations Board, 88 17 N.L.R.B. 974.

[4] [illegible], "How to Negotiate a Labor Contract and Make It Work," Proceedings of the Twenty-seventh Silver Bay Industrial Conference, p. 123, The National Council of the Young Men's Christian Associations, July, 1944.

that it too has the right to make demands—indeed, not only the right but the responsibility and obligation to make them. The present scope of bargaining must be so broadened that the labor conference becomes a true bargaining conference. Management must demand and obtain responsibility from labor. It must demand and get cooperation from unions in the successful operation of the individual business. It must demand and get cooperation in maintaining quality and cutting costs so that more and better goods will be available for consumers."[5]

Demands made by management upon the union serve two purposes. First, a carefully thought out, aptly phrased demand has considerable bargaining value during the negotiations. One observer comments, "To propose costs nothing, and it has been the author's experience that, at the very least, when an employer enters counterdemands, or perhaps even original demands, he considerably strengthens his bargaining position."[6] The demand, if secured in the contract, may be of practical value to management in the operation of the business. An example of the latter might well be the union's agreement to the inclusion of a "no-strike, no-slowdown" clause.

However, certain bargaining hazards exist in making demands upon the union. Some managements have erroneously considered the function of their demands to be primarily that of annoying the union. Following this line of reasoning such managements have made meaningless or worthless demands and, much to their surprise in some cases, have found the union accepting them and asking for concessions of real importance in exchange.

To avoid this hazard, all proposals that are made by the employer should be carefully formulated. Instead of the vague, pompous generalities so frequently encountered, the demands should be specific and tangible. As an example, every labor agreement implies that the employees covered by the contract are bound by it. Management might well request that the agreement contain an explicit statement of this, such as *Each and every employee covered by this agreement is bound by its terms*. In addition, where concessions are made by management in negotiating they need not be wholly one-sided. The responsibilities of the union and the employees in connection with many concessions can and should be made clear. In most instances this can be readily accomplished by proper phrasing of the clause or clauses involved. One example of this is shown in the last sentence of the following clause covering rest periods which appears in a current labor agreement:

> "There shall be two (2) ten (10) minute rest periods with pay for each regular shift, at stated times consistent with production requirements. *Employees shall not start their rest periods before the official starting time and shall be back at their place of work promptly at the expiration of the rest period.*"

(To be continued)

[5] Thomas Roy Jones, "The Scope of Collective Bargaining," American Management Association Personnel Series No. 81, p. 49, *Management's Stake in Collective Bargaining*, New York, May, 1944.

[6] Robert M. C. Littler, Managers Must Manage, *Harvard Business Review*, vol. 24, No. 3, p. 375, Spring Number 1946.

Seldom has the interview been tested rigorously to determine it's validity. Most personnel people assume that it is highly valid; others point to the famous study by Hollingworth in 1923 as proof of it's worthlessness. Here is evidence of high validity where interviewers were carefully chosen and well trained.

Validity of the Placement Interview

By Richard W. Putney, Denver, Colorado

Of late, considerable doubt has been expressed as to the validity of the employment interview as a method of selection and placement. However, reliable data has been difficult to obtain because of the difficulty of obtaining control figures. For this reason the results of a study made in the Army Air Forces during the fall of 1943 will be of interest. This survey, which was made at the Aircraft Warning Unit Training Center at Drew Field, Florida, came as a result of the fact that the Assignment division was, in many cases, ignoring the Classification Interviewer's recommendation in sending men to schools. The classification officer ordered this study to determine the extent to which men were being misplaced and the cost in wasted training time.

The school record of all men assigned for training at the school unit (the 588th Signal A. W. Bn.) for four consecutive weeks was checked. After eliminating those whose training was interrupted due to circumstances beyond control (such as emergency furloughs and transfers from the Center) it was found that 226 men were assigned to school of which 175, or about three-fourths, were assigned in accordance with the recommendation of the interviewing section. No selective process was used on the remaining one-fourth whose names were simply shifted by the Assignment section to fill quotas.

The school results of these two groups are shown in table I. It will be noted that of those assigned by the interviewing section, 84% graduated in the prescribed time while only 29% of the random group finished successfully. Also the grades of those graduating were higher among those selected by the interviewing process. After these findings were known the Classification officer was placed in control of all school assignments.

TABLE I

School Results of 226 Men Assigned to 588th Signal A. W. Bn., AWUTC, Drew Field, Florida, for Four Consecutive Cycles Beginning Aug. 30, 1943

Source: school records

School result	Number of men placed by interview	Number of random placed men	% of men placed by interview	% of random placed men
Dropped for inaptitude	0	11	0%	22%
Dropped for physical disability	10	18	6%	35%
Transferred to subsequent cycle for failing grades	18	7	10%	14%
(Total dropped)	(28)	(36)	(16%)	(71%)
Graduated—Satisfactory	25	8	14%	16%
Graduated—Very Satisfactory	54	4	31%	8%
Graduated—Excellent	61	3	35%	6%
Graduated—Superior	7	0	4%	0%
(Total graduated)	(147)	(15)	(84%)	(29%)
Total	175	51	100%	100%

The school stated that of those transferred to subsequent cycle for failing grades, about one-half could be expected eventually to graduate. However, the report could not be delayed to obtain a breakdown on these particular men.

Results such as these could not have been obtained with untrained interviewers. AWUTC was extremely fortunate in having highly qualified classification personnel among both officers and enlisted men. Many of the interviewers had had experience in personnel work or related fields, most had had at least two years of college, and all were given extensive and continuous training in this work. Detailed job descriptions were at hand and many interviewers actually attended the schools to which they were assigning men. A staff adequate to handle peak loads was available so that full consideration could be given each new arrival. Considerable use was made of test scores but reliance was never placed on them alone. It might also be noted that the range of job requirements, both physical and mental, was probably greater than is normally found in industrial situations.

Much of the work done at this training center was secret and it was therefore impossible to provide adequate job descriptions to reception centers and basic training centers. Because of this and because we had no control over the quality of interviewing at these points, an Aircraft Warning Aptitude Test was eventually devised by the use of which the reception and basic training centers screened new men for assignment. At AWUTC itself, however, the interview continued to be the basis for all assignments, it being our experience that this was the most valid method of selection.

Before starting a supervisory training program a committee of middle-level executives decided to explore training needs by developing a detailed outline of the scope of the supervisor's job. This made it easy to locate training needs but the actual development of the outline itself proved to be a good training method.

Duties of the Office Supervisor

The Pennsylvania Company for Banking and Trusts

Today's supervisor has innumerable functions and duties in the complicated life of modern commerce and industry. Unless he gives considerable thought and study to the problem he does not realize just how many things he is actually responsible for. One way to focus his attention on the functions and duties of his job is to put them all down in writing. It is difficult, however, to sit down at a desk and think out a complete list. And supervisors are not going to be easily impressed by a list prepared by someone else and handed to them. Any plan is good that will induce the supervisor to consider his work and develop for himself a detailed list of the duties of his job. The guided type of conference is one means of accomplishing this aim.

Developing an Outline by Conference Discussion

The Pennsylvania Company for Banking and Trusts, with 1500 salaried employees, has a committee of middle-level executives known as Junior Council to which has been assigned responsibility for, 1. Originating and passing on suggestions for improvements in any part of the business, 2. Making suggestions for the betterment of public and employee relations, and 3. Seeking by any means to improve supervisory skills at all levels. In pursuing the third of these three aims the group has decided to recommend a supervisory training program, the first unit of which is to be two discussion sessions of two hours each on the duties of the supervisor. Before launching the program the Council decided that it should go through each of the training units itself. Accordingly two conference sessions were held, under skilled conference leadership, to develop an outline of the duties of the supervisor. The outline given here is the outcome of these discussions. It is interesting to find in this list the most important items disclosed by a survey of foreman and supervisory

opinion that was directed by Dr. Bruce V. Moore of Pennsylvania State College. These more important items are printed in capitals. The next thing to be done is for each of the supervisory groups to go through the same conference method of developing what they considered to be their supervisory duties, after which they will compare their list with the one developed by the Junior Council.

Further training units are being selected from the list of supervisory duties.

A. OPERATIONS
  1. Work
  2. Facilities
  3. Manpower

B. MANAGEMENT
  1. Organization
  2. Policies
  3. Standards, Controls, Records, Methods
  4. Reports

C. PERSONNEL
  1. Placement
  2. Development
  3. Employee Policies
  4. Employee Relations
  5. Employee Needs
  6. Public Relations
  7. Self-Improvement

A. *OPERATIONS*

1. *Work*
   a. PLAN, SCHEDULE, AND DIRECT THE WORK FLOW IN ACCORDANCE WITH INSTRUCTIONS RECEIVED AND WITH OVERALL PLANS.
   b. KNOW HOW TO DO THE WORK.
   c. CHECK AND INSPECT WORK WITH REGARD TO TIME SCHEDULES, ECONOMY, QUANTITY AND QUALITY.

2. *Facilities*
   a. Space—requirements, layout, housekeeping
   b. Equipment—section, placement, operation, maintenance
   c. Materials and supplies—selection, procurement, storage, movement, accounting, safeguarding.

3. *Manpower*
   a. Delegate and/or assign duties
   b. Supervise employees
   c. Maintain suitable, adequate and flexible force
   d. SHOW OTHERS HOW TO DO THE WORK

B. *MANAGEMENT*

1. *Organization*
   a. Understand purpose of the business
   b. Understand own division's operations and how they fit into the business
   c. Maintain organization structure to accomplish purpose of department
   d. Delegate responsibility and authority to others in accordance with organization plans
   e. Coordinate work with other units
   f. Forsee problems and adjust to meet them

2. *Policies*
   a. Represent management to employees
   b. Understand business policies with regard to own and other units and interpret to employees
   c. Suggest improvements in business policies

3. *Standards, Methods, Controls and Records*
   a. Develop and maintain standard methods of performance
   b. Develop and maintain cost Standards for
      (1) work performance
      (2) salaries (job evaluation)
      (3) space
      (4) equipment
      (5) materials and supplies
   c. Make work simplification analysis for methods improvement
   d. Know laws affecting work and employees
   e. Employee attendance and overtime
   f. Safeguard confidential matters

4. *Reports*
   a. Make reports to superiors
   b. Make recommendations to management
   c. Present employees' feelings to management
   d. Report conditions needing attention

C. PERSONNEL

1. *Placement*
   a. Assist in selection, transfer, promotion and dismissal of employees
   b. Know your employees and get right man on right job
   c. Induct new employees

2. *Development*
   a. Instruct, encourage, understand, train and develop employees
   b. Evaluate employees and indicate future advancement or other placement
   c. Analyze training needs

3. *Employee Policies*
   a. Present, interpret and "sell" employee policies to employees
   b. Invite employee suggestions to improve policies

4. *Employee Relations*
   a. HANDLE MEN EFFECTIVELY
   b. MAINTAIN MORALE, INTEREST, ATTENDANCE, AND DISCIPLINE
   c. Keep employees informed of their performance
   d. Hear complaints and suggestions
   e. Consider employee feelings
   f. Meet individual problems. Show interest in people
   g. Give counseling where needed
   h. Give credit and get recognition for employees
   i. Be available to workers
   j. Give special reward when merited
   k. Keep workers informed; tell them of changes

5. *Employee Needs*
   a. Watch needs of employees; health, safety, working conditions, vacations, life insurance, pensions
   b. Recommend salary adjustments

6. *Public Relations*
   a. Maintain good customer relations
   b. Maintain good public relations

7. *Self-Improvement*
   a. Know your job and improve yourself
   b. Organize your work and your time to locate neglected duties
   c. Be fair, frank, willing, loyal, competent, conscientious, and learn how to use authority
   d. Develop skill in supervision and in all employee relations.

Items in caps are those deemed most important according to a survey of a large group of supervisors made by the Pennsylvania State College.

Application blanks and employee records are usually filed alphabetically and it is hard to locate employees or applicants with various combinations of skills. This article describes the SKILL FILE and tells how it can be used to quickly locate the kind of candidates wanted.

The Skill File

By J. K. Gerdel, Consultant

In many companies today the policy of promotion from within is more talked about than applied. Generally speaking, the larger the organization the more true this is. The difficulty which most companies experience in applying this policy is a difficulty of method and procedure rather than any lack of honest intent to apply the policy. In order to advance qualified employees to more responsible and better paying positions it is necessary to identify them.

When an organization is large enough to departmentalize it is generally true that no one official is acquainted with all employees. In such cases, the identification of qualified employees is left to the knowledge and memory of individual department managers. The effect of this procedure is to encourage promotion within a department when promotion across departmental lines might produce greater utilization of employee qualifications. Because department managers are not acquainted with all the personnel of other departments, a well-qualified employee is frequently given no consideration when a promotional opportunity becomes available, although if his qualifications were known to the manager of the department in which the promotional opportunity is available he might be given such consideration.

Locating the Best Qualified Candidate

The situation also arises in which no present employee is fully qualified for the promotional opportunity. In such cases, an unqualified employee may be selected in blind adherence to a policy of promotion from within, in which case the company frequently suffers rather than benefits. Therefore, the policy must sometimes be modified by considering not only employees who may be qualified for the vacancy but by considering applicants who may be better qualified than any present employee.

Here again a functional department manager is almost always at a disadvantage for the reason that he generally is not acquainted with applicants nor with application files. He is dependent, therefore, upon the recommendations of the personnel department. In too many instances application files do not lend themselves readily to the selection of qualified applicants. In many companies the application forms are filed alphabetically by surname of applicant. In such a file it would be necessary

for one familiar with the requirements of the job to be filled to examine every application form in the file to determine whether there were any qualified applicants for the job and to select the best qualified one. If the application file is very extensive this becomes a formidable task at which either the personnel man or the department manager is inclined to balk after reading a few application forms. In such cases the application file is virtually worthless and requires more time for maintenance than any value which can be obtained from it.

Difficulty in Coding Application Forms

Some application files are arranged by job title. It is customary in such cases for the personnel department to code each application form by numbers to show the jobs for which the applicant is qualified. In one such file the only job titles used for coding were clerk, typist, and stenographer. In view of such broad classifications, it again becomes an almost impossible task to identify the best qualified applicant in a given group.

In another such file more job titles were used but there was no cross-referencing of titles in fields where such cross-referencing would be essential in order to properly operate the file. For instance, one of the job title headings used was that of accounting clerk. An examination of the application forms under this title revealed that within this section of the file were applicants who would be qualified for a wide range of positions including clerk, typist, comptometer operator, calculating machine operator, junior statistician, junior accountant, telephone operator, credit clerk, credit investigator, stock clerk, purchasing clerk, loan clerk, and a miscellany of entirely unrelated job qualifications. However, the application form was given only one formal job coding and again the personnel man or an interested department manager would experience almost insurmountable difficulty in identifying an applicant for a particular job.

Almost every company of any size has the problem of maintaining an application file. Not all applicants, no matter how well qualified, can be hired at the particular time when they apply for a job. Yet the personnel man will recognize, on occasion, that here is a potential employee who will probably be an asset to the company. Therefore, the personnel man wants to retain the application form and consider the applicant at some future date when a suitable job becomes available. Usually one of the methods which has been described is used. The normal result is that the individual is never hired; that when a job becomes available his application form cannot be found and the personnel department must then either hire some other applicant who happens to apply for a job at just the right moment, or go through some process of recruitment which will produce a qualified applicant.

Modern Devices for Coding Qualifications

Effective means of avoiding this unsatisfactory situation are now available in most large companies and are in the process of development in many others. The basic instruments are four:

(1) *Job analysis* for the purpose of identifying the qualifications required for adequately performing any given job.

(2) *Merit rating* for the purpose of determining the quality of performance of the employee on a given job requirement in comparison with other employees.

(3) *Applicant rating* for the purpose of determining the qualifications of a given applicant and the extent to which he possesses those qualifications.

(4) *Punch card* or visible equipment for the purpose of quickly identifying those employees or applicants who possess the desired qualifications or combinations of them.

Figure I represents a common type of job analysis by factor. In this analysis certain kinds of job qualifications stand out clearly. In the illustration given, one employee qualification is represented by the ability to take and transcribe dictation. Another qualification is the length of experience indicated. In other jobs the extent and kind of supervisory experience might become qualifying factors as well as experience with certain types of records or procedures. On the basis of the analysis of the job, clear-cut qualification standards to be met by the incumbent of the job can be established. These qualification standards then permit deciding who should be selected to fill the job.

Using Qualifications Specified by Job Analysis

It is possible under certain kinds of evaluation plans to go beyond the qualification factors themselves and indicate in the job specification the extent to which the applicant must possess a given qualification. For instance, if one of the factors which we are considering with respect to quality of the job is that of physical demand, we might determine the extent to which a given employee or applicant is capable of physical effort. Illustration II illustrates the manner in which this information is applied in one of the several job evaluation plans now widely used in industry.

Having determined those qualifications which are required to adequately perform a given job and the extent to which an employee or applicant must possess those qualifications in order to qualify for the job vacancy, a filing system can then be devised which reflects job qualifications and employee qualifications so that men and jobs can be properly matched. Such a system is known as a *skill file*. The essential differences between the traditional application file and the skill file are two:

(1) Application files are usually arranged by name of applicant or by occupation, while the skill file is arranged so that the file may be searched for any given combination of qualifications without any predetermination having been made that a given applicant is potentially qualified for one or more particular jobs.

(2) The application file traditionally places the outside applicant and the present employee on separate footings. It does not lend itself to a comparison of the relative merits of present employees and applicants when there is under consideration the filling of a particular job vacancy. The skill file permits comparison of the quali-

fications and merits of both present employees and applicants without distinction up to the point of final selection.

FIGURE I

	JE 1b (Rev. 2) 89 Position Name Supervisor Pos. No. ....
Mental Rate	Specialized Training— Negotiable Instruments
Skill Requirements	Previous experience, where acquired, & time to acquire Thorough knowledge of processing noncash collection items—3 years. Minimum additional knowledge to be gained & time to acquire Supervisory training and knowledge of Federal Reserve noncash collection regulations—6 months Mechanical equipment Adding machine—occasional when assisting Others Ability to deal with people by telephone Attention to many items
Responsibility for Supervising Others	Number & grade of those supervised 9 employes and in addition 10 borrowed for 1 month of each quarter. (Substitutes for assistant department head in his absence with full responsibility and assumes duties of supervisor in City Division when necessary) Type of work supervised Processing Government coupons and country noncash collection items Supervisory Relationship Under direction, exercises general supervision
Responsibility Involved in Own Work	Responsibility for: Assisting with processing of securities, notes, acceptances, certificates of deposit, bills of lading, sight and time drafts, warrants, etc., for collection Chances & Consequences of mistakes Incorrect information by telephone or failure to follow instructions might result in impairment of bank or public relations or possible litigation or monetary loss. Supervision received & grade of immediate supervisor Direction—Assistant Department Head
Conditions of Work	Hours Normal Undesirable features Irregular hours at heavy periods of month and quarter
	Prepared by E. A. AFF Approved by (1) Immed. Supervisor .... (2) Dept. Head or Officer ....

In order to properly appraise the qualifications possessed by an employee or by an applicant a review of past record is necessary. Since qualifications change with additional training and experience, some time limit must be established beyond

which the record will be considered invalid. Employees' records may then be brought up to date and applicants' records can be either discarded or renewed.

In respect to both employees and applicants, the original application form serves as a basic record for determining such factors as length and type of experience, indicated or expressed interests, and related information. This information must be assembled from the application blank in relation to the various types of factors which are the basis of job selection.

Using Merit Rating Information

Another source of information for the skill file card is the merit rating or applicant rating form. Such forms, if properly devised, can supply information indicating the degree to which an employee or an applicant possesses certain qualifications. This information is desirable for the reason that when two or more employees are considered who have the same qualifications, it will normally be desired to select the one employee who possesses those qualifications to a greater degree than any other employee. This general principle, however, is not always true and it may sometimes be more desirable to select for promotion or employment that employee or applicant who possesses just the degree of a given quality desired, neither more nor less. In the case of a promotion from comptemeter operator to statistical clerk, for instance, an employee or applicant who possesses a greater degree of ability to meet and deal with others than is necessary to perform the job might turn out to be an unsatisfactory rather than a satisfactory statistical clerk.

Information so assembled can be coded for either punch card or visible application. The usual procedure is to set up a single card for each employee and for each applicant considered worthy of further consideration. The identifying information

Figure II

FACTOR NO. 14

PHYSICAL DEMAND

Consider the nature and continuity of the physical effort required in performing the work—lifting, pushing, dragging, walking, climbing, strain of difficult work position, etc.

In measuring the physical demand required by the position, consider the sub-factors, "Nature of Physical Effort" and "Continuity of Physical Effort Required."

NATURE OF PHYSICAL EFFORT

1. Minimum physical effort required; normally seated.
2. Moderate physical effort required; operate light machine, such as typewriter, etc.
3. More than average physical effort required, standing or walking; operate heavy machines such as billing machines, etc., or work in a cramped or strained position.
4. Considerable physical effort required, doing work such as using heavy tools, moving heavy trucks, or lifting heavy articles.
5. High degree of physical effort required; doing work approaching limits of physical endurance.

CONTINUITY OF PHYSICAL EFFORT REQUIRED

A. Less than 10% of time.
B. Over 10%, up to 30% of time.
C. Over 30%, up to 65% of time.
D. Over 65% of time.

on the card may consist only of the employee's or applicant's name and the date on which information was last recorded. If a validity period of six months is established, then it becomes necessary to review the file periodically either to discard some of the applicants' cards which become out of date or for the purpose of bringing up to date the information contained on an employee's card. In a large file it is most convenient to do this by a sorting process on punched cards. In a smaller file a visual inspection of the file will readily identify out-of-date cards. In the event that punched card equipment is used, a code must be established on the card for each qualification factor possessed by the employee and for each degree of such factor.

An Example of Coding

In respect to physical demand, for instance, one such coding arrangement may be arranged as shown in Figure II.

Another coding arrangement can be established for specific training in some such form as:

1 = Typing
2 = Stenography
3 = Adding machine operation
4 = Comptometer operation
5 = Key-punch operation
6 = Bookkeeping machine operation
7 = Accounting Training
8 = Statistical training
9 = Tabulating machine training
0 = Ph.D., Economics, etc.

Depending upon the specialized types of activity which are included in any given group of jobs, a definite number of training qualifications could be established. Further coding would include such items as length of experience in the organization, nature of supervisory experience, qualification in respect to physical effort, and codes for any additional qualifications which are necessary for any job in the organization. The characteristics which are selected as file headings will necessarily vary with the types of jobs peculiar to the organization.

As a matter of procedure, any form which records personnel action such as completion of a training course must then be cleared through the skill file and the card of the individual affected must be repunched to reflect the change in qualifications. With properly established codes and trained clerks this quickly becomes a routine operation and has the effect of keeping the file current at all times.

When a Job Becomes Vacant

In the event that a job becomes vacant, a master card can be punched representing the qualifications of the position and the cards can be quickly assorted mechanically to locate those cards which have the same combination of qualifications as those

indicated on the master card. The people represented by these cards then become that group which are worthy of consideration for either promotion or employment for the job in question. Since there are, in many instances, only a few people qualified for any given promotional opportunity, it becomes a relatively simple task to examine their records or application forms and to select from those available the particular employee or applicant who is best qualified to fill the job in question.

If punch card equipment is not available the same results can be obtained through the use of visible equipment. The only real difference in operation is that data is usually hand posted to visual records and a tabbing or keysort arrangement must be used for the purpose of signaling or locating the qualifications possessed by a given employee or applicant. Signaling may be accomplished by the combined use of various colored tabs which are readily distinguishable and by placing these tabs in different positions along the visible edge of the equipment. By using such tabs changes in qualifications can be indicated by changing the color of the tab used or the position of the tab without destroying or remaking the basic record. Again, such a file can be operated readily and economically by clerks who are properly trained in the procedure.

Finding the Qualified Employee

In order to fill a position then, it becomes necessary to determine from the job qualification record what colored tabs are significant and in what position they must be found to indicate a qualified applicant. A very rapid examination of a tray of such cards will indicate whether certain combinations of signals exist which indicate whether certain combinations of signals exist which indicate a qualified employee or applicant. The cards of qualified applicants or employees may then be removed from the file, the application or personnel file attached, and forwarded for consideration of whomever is to make final determination for promotion or employment.

Establishing a record of this nature where qualification standards have been determined is primarily a matter of analyzing existing employment records to determine the qualifications possessed by employees The maintenance of the file requires that merit rating and personnel action forms be cleared through the file and performance and qualification changes be recorded. In addition, the personnel department must code application forms received so that the qualification information may be entered in the file.

Through the use of a skill file such as has been described, the selection of the proper individual to fill a given job is changed from reliance on chance memory or frantic searching to an efficient orderly process whereby clerks maintain adequate and proper records and the necessary information for executive decision is placed before the executive in simple form so that he can readily make an intelligent decision. Lacking such a record the executive can never be certain that he has given fair and equal consideration to all employees and to all applicants and that his decision has resulted in placing the best qualified employee or applicant in the job.

The Editor Chats with His Readers

Is there such a thing as too much success? Author Harvey T. Stephens seems to think so. His article in the April issue of Personnel Journal, "The Story Of Your Salary," has brought so many requests for more information that he is pleading for mercy. It seems to us that Harvey is getting his just deserts. It is so unusual for an organization to actually tell its salaried employees the whys and wherefores of the things that determine how much salary each one gets that it is no wonder other personnel people want to know more about how International Resistance Company does it. The same frank and aboveboard attitude was illustrated by "A Letter from the President to All Employees," written by W. H. Wheeler, Jr., President of Pitney-Bowes, Inc., which appeared in the May issue. In it he told about such sacred things as profits, new capital, dividends and the mechanics of the new financing. People seem to like to be dealt with plainly and simply, but frankly.

A faithful reader writes how completely he agrees with our editorial in the June issue which, as he puts it, "advocates the elimination of polysyllabic profundity." Is *that* what we said?

"They know the theory but we have difficulty getting them to make it practical." This is what so many personnel men say of the graduates of schools of business administration, even those from our best colleges. Douglas J. W. Clark, Director of Placement of the Rutgers School of Business Administration writes interestingly of their efforts to give business students all of the practical experience possible. Half time at school and half time at work; or a term at school and a term on a job; or even, in the case of accountants, a break in the school work so that they can work with accounting firms during the busy income tax season. The aim is that blend of the practical and the theoretical mentioned in the editorial in this issue, "I Like People."

This is the only part of Personnel Journal where the reader can talk. He can even thumb his nose if he does it to the profit and interest of other readers. Even the Editor must strive for the benefit of his audience—if there is to be any. So, speak up; you who read this. How does it strike you; what do you think?

Book Reviews

"HOW TO PREPARE AND MAINTAIN A SUPERVISOR'S POLICY MANUAL" is Research Report No. 11 of a valuable series issued at irregular intervals by the American Management Association for its members. This useful manual is a report following a study of more than 100 existing manuals and conferences and correspondence with over 200 companies. It discusses in detail such topics as, Content, Responsibility For the Manual, Steps in Preparing the Manual, Distribution and Revision on the Manual. There is a valuable section on participation by foremen and supervisors in the development of the manual, there being many differences in the degree of such participation. It is remarked that "Supervisors want to be consulted on policy." If they are not drawn into policy-making activities they do not accept responsibility for policy, and management effectiveness is weakened."

Another study of the same kind is "Written Statements of Personnel Policy," recently issued by the National Industrial Conference Board. It covers Definitions, How Policies are Formulated, and Publicized and an outline of the subjects usually included in such policies. Appended are the basic personnel policies of ten prominent industrial companies.

STYLE RULE

By F. Stephenson Smith. Wordsmith, 33 University Place, New York 3, New York. Price $1.00

This is one of the handiest little manuals that has come to light in a long time. It is designed for the use of writers, editors, students, reporters, stenographers and anyone who has to make a quick check on the correctness of grammar, rhetoric, usage and styling of words. It contains sections of copy setting, type sizes, proofreaders' markings, hyphening, paragraphing, capitalization, punctuation, and compound words. There is a section called "The Word Analyzer" with Latin and Greek prefixes, which makes it possible to analyze the meaning of an unfamiliar word when made up with some of the more common Latin and Greek prefixes. There is a section on how to re-write copy and how to edit. Altogether it is a most useful and concise guide for the practical "wordsmith." The volume is printed in pocket size with spiral binding and on very heavy paper so that it will stand much usage.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, EDWARD N. HAY. Secretary, D. D. HAY

Volume 26 *Number 5*

Contents for November 1947

EDWARD N. HAY, *Editor*

D. M. DRAIN, *Circulation Manager*

The Industrial Relations Department Budget

Cassandras and other prophets of doom are never popular. When prophesies come true the prophet rarely receives credit for the accuracy of his farsightedness and is frequently blamed for the unhappy occurrences which bear out his predictions.

We therefore hesitate to predict the return of the time when costs are examined with a critical and microscopic eye and "overhead departments" are made the scapegoat for inadequate investigation, forecasting and planning. However, there can be no doubt that current boom conditions cannot continue indefinitely. Competition will require that cost figures and overhead ratios be subjected to sharp management scrutiny. Woe betide the "non-productive" or staff organization unit that has failed to prepare an adequate justification of its activities and expenditures!

If the experience of the past thirty years is any guide we can expect that staff personnel administration departments, set up to provide counsel and advice to operating units, will be among the first to feel the pinch when indiscriminate cost-cutting returns as the chief end of ill-advised but frantic managements.

During the last eight years manpower has been one of the prime problems in production. The importance attached to the maintenance of an adequate working force has caused many personnel men to be lulled into a false sense of indispensability and security. Now is the time for us to begin investigations aimed at justification of all items of expense in connection with personnel administration. The head of every industrial relations or personnel administration department should tabulate each major expense and examine it with the same jaundiced eye that will all too soon be applied by more ruthless members of top management. Whenever possible the financial return secured from each item of industrial relations expense should be accurately and honestly determined. Moreover, the adequacy of these returns in a period of stiff competition and cost consciousness should be closely examined.

Unfortunately this means work and plenty of original thinking. Management literature does not overflow with case histories or detailed instructions in the field of "Financial Returns from Personnel Administration and How to Prove Them." Many of us will find that we have failed to compile current statistics that are essential to demonstrate our accomplishment.

The time has passed for us to shrug off our responsibility by the use of the worn-out phrase, "You can't measure human relations in dollars." We greatly fear that this old excuse may be returned to us in the form of, "If that's true, we haven't any dollars to spend."

Samuel L. H. Burk

Getting a Job *Is* a Job

One of the most futile things in the world is to give specific advice to job-seekers. How often we hear an ambitious fellow, looking for a job, tell how his dad had advised him to go into chemistry; or how some friend of the family had assured him that aviation offered the greatest future for young men. Actually, every job seeker has to solve the job problem in his own way. No one else can do it for him.

We are the target for an exceptional number of job-seekers who want advice. Of course, there is nearly always *something* specific that can be said. Such comment is usually most serviceable if it is along the lines of suggesting that the job-seeker try to "cash in" on his previous experience and education and seek jobs that will use his best assets in the way of personal qualities.

The really best advice that can be given a job-seeker is to remind him that "getting a job *is* a job". What he needs is lots of "exposure". Accordingly, he should call on as many possibilities as he can. Sooner or later one of them is going to be interested, or will send him someplace where he will find what he wants.

One of these young job-seekers recently wrote us, after the successful conclusion of his job hunt: "Your suggestion which helped me most was that I get out and talk to many people about jobs. Doing this gave me a pretty clear picture of the job situation and probably made me a much better job hunter."

Union Participation in Job Evaluation Programs

Much has been heard about job evaluation in recent years. Lately, the question of whether or not the union should participate actively in a program of job evaluation has been discussed, pro and con at management conferences. Unions have debated the point, too, some taking one view and some the other. It is of unusual interest therefore when a national union makes a formal statement on the subject. The American Federation of Labor has done this, in a series of three articles in the official monthly magazine the American Federationist, which circulates publicly and can be bought on the news stands. These articles have been carefully reviewed and the resulting comment appears in this issue. The effort has been made to be impartial in this review. At any rate, there is about as much justifiable criticism of management as of labor.

Conference Calendar

November

3–5 Chicago, Hotel Sheraton.
National Association of Personnel Directors. W. I. Parks, Nat. Asso. Pers. Dir., One N. LaSalle St., Chicago 2.

10 Atlantic City.
United Automobile Workers, C.I.O.

17–20 Dallas, Texas. Baker Hotel.
Public Personnel Administration Conference. Civil Service Assembly, 1313 E. 60th St., Chicago 37, Ill.

20 New York, The Waldorf-Astoria.
National Industrial Conference Board. S. Avery Raube, 247 Park Ave., New York 17.

20 Pittsburgh, Mellon Institute.
Industrial Hygiene Foundation of America, Inc., Annual Meeting. John F. McMahon, Managing Director, 4400 Fifth Ave., Pittsburgh 13.

21–22 Philadelphia, Hotel Sheraton.
Labor Relations Council of Chamber of Commerce Conference. H. L. Tolan, Chamber of Commerce, 17th & Sansom Sts., Philadelphia 2.

December

15–16 New York, Hotel Pennsylvania.
American Management Association. Production Conference. James O. Rice, 330 West 42nd St., New York 18.

2–3 New York, Hotel New Yorker.
Society for the Advancement of Management. Annual Conference. C. S. Coler, 84 William St., New York.

January

15–16 New York, The Biltmore.
American Management Association. Finance Conference.

22 New York, The Waldorf-Astoria.
National Industrial Conference Board.

Recently the American Federation of Labor made an official statement of its attitude on job evaluation, and Personnel and Industrial Relations workers have shown great interest in it. In spite of some ambiguities the statement reveals an intention to deal constructively with job evaluation.

The Attitude of the American Federation of Labor on Job Evaluation

By Edward N. Hay

Personnel and Industrial Relations people have shown a great deal of interest in a series of articles called, "Job Evaluation: What It Is And How It Works". This is the title of a series of three articles which appeared in the July, August and September issues of the *American Federationist*, the official publication of the American Federation of Labor. The authors are Boris Shishkin, Economist of the Federation, assisted by Peter Henle and Mrs. Martha G. Scoll of the A.F.L. staff. While there is no summarized statement of the attitude of the Federation the following seems to be representative:

1. Job evaluation, properly used, has a place in wage determination.
2. Job evaluation alone does not give a sufficient basis for setting relative job values.
3. Many managements use job evaluation in ways that interfere with fair collective bargaining.
4. Job evaluation is unsound because the *relative* values of jobs (not merely the actual wage rates) cannot be determined from the job duties alone.
5. Unions must be free to negotiate not only the job rates but also individual rates (Ed. comment; a statement which cannot be reconciled with job evaluation).
6. Point Rating Plans frequently are objectionable because they attempt to eliminate the use of judgment.
7. In spite of weaknesses in job evaluation and its frequent mis-use by management it is advisable for unions to understand it so as to be able to bargain effectively with management.

There are many duplications throughout the articles and some inconsistencies. A representative series of points have therefore been quoted, followed by editorial comment. In a few places sarcasm and exaggeration have been used, such as,

> "They (labor) resent the whole approach of couching their common, every-day work-experience into an alien, new-fangled terminology and interposing between the workers and the supervisors a cumbersome calculus in which nothing ever seems to add up."

Or this,

> "But the management, in desperation, is likely to resort to makeshift, patch-work solutions."

But on the whole the subject has been handled with restraint and adequate understanding.

Part I—Introduction

What is job evaluation?

To a newly appointed plant superintendent, harassed with an inheritance of a haphazard wage policy and a discontented work force, it may seem like an answer to a prayer.

To a union, job evaluation, with its complicated system of "points," "factors" and "wage curves," may seem to be nothing but a smokescreen for the management's attempt to get around genuine collective bargaining and fair and realistic wage adjustments.

However one may regard it, job evaluation is with us. Its use greatly increased during the war and is continuing on the increase today.

Job evaluation is indeed with us and its use is on the increase. It is doubtful if management should consider it "an answer to a prayer". There is no doubt, however, that good job evaluation will eliminate much of the confusion which is often found in wage structures. Most managements cannot be accused of using job evaluation as a "smokescreen" for avoiding "collective bargaining and fair and realistic wage adjustments". While some managements have been guilty of such practices their behavior cannot be ascribed to all and, in any case, such statements are no argument against job evaluation.

Job evaluation attempts to answer the question, "What is each job worth in relation to other jobs in a plant or shop?" It deals with jobs, not with people doing these jobs.

To determine the worth of jobs in relation to each other, an arbitrary yardstick is first devised. This yardstick is the applied to each job, measuring the job for size, so to speak. Once this is done, all jobs can be ranked in their rising importance. And you can then say that each job is so many notches above or below another job. Or that two jobs come up to about the same notch. What you have is a uniform scale which is used to measure the worth of any job in the plant.

A very clear explanation to which no exception can be taken. It indicates a good understanding of what job evaluation does.

The purpose of job evaluation is to determine what the rate of pay for one job should be in proper relation to the rates of pay for other jobs in the same plant.

Job evaluation does no more than that. If the level of wages on all jobs is too low or too high, that is a question of wage policy, which should be jointly decided by union representatives and management in negotiations. It is not the purpose of job evaluation to set the desirable level of wages in the light of such considerations as the prevailing economic conditions, cost of living, plant output, unit costs or the firm's ability to pay. It has nothing to do with the actual size of the paycheck. It is merely a method of aligning the rates of pay on different jobs in a plant or shop in a desired relationship to each other.

No more accurate and concise statement of the purpose of job evaluation has ever been made. It is safe to say that every management that has successfully used job evaluation is in full agreement with Mr. Shishkin.

Part II—Description

"*The most widely used method of job evaluation is called point rating . . . To put it all in a nutshell, the point rating method . . . takes the job apart, then evaluates each part separately, assigning a number of points to each part, and, finally, puts all parts together again, with the total number of points determining the value of the job.*"

Clearly described.

"*The technicians have long claimed that this procedure is 'scientific.' There are many in the ranks of management who have been talked into believing that there is something scientific about 'points' and that all you have to do is to apply point ratings to jobs in order to get fairness and equity . . . Actually, there is nothing scientific about assigning 80 points to education and 50 points to experience in evaluating a job. All such values are arbitrary. They have been set up by a rule of thumb, and that's as much as anybody can claim for them.*"

These are sound criticisms; no plan of job evaluation can be called "scientific" and no responsible advocate of job evaluation makes the claim. The very best that can be said of any plan is that it provides for the use of judgment in an orderly and systematic way.

"*These judgments must be made and, to be valid judgments, they must fully reflect the views of the workers themselves . . . . The point system of job appraisal no less than any other must accept union participation throughout, in order to be realistic and equitable.*"

Most wise managements agree with this and there are countless successful plans in operation in which job values were determined by joint union-management action.

"*The fourth method of job evaluation is known as factor comparison. Here, once more, the job is broken down into separate parts or factors, such as skill, etc . . . in factor comparison the job ranking and point rating methods are combined. Jobs are lined up by their factors . . . the final rank of the job is determined by its rank under each of the factors . . . . After the relative value of the jobs has been measured . . . the point values, or ranks, or steps are translated into wage rates.*"

This statement indicates a good understanding of the method and while not precise is adequate.

There are disputes about the discrepancies between the way a job description is written on paper and the actual work requirements and performance.

Under the best practice any such disputes are referred back to the chief job analyst who is asked to have the job description rewritten so that it agrees with the actual conditions.

The work in the plant begins to change. Older machines become worn and obsolete and are replaced by new ones. More and more workers get shifted to other work in response to changing conditions. Management is caught in a quandary whether to fit jobs to new production requirements—which would be just plain common sense—or to stick to the rigid pattern of job evaluation which cost so much time and money to work out.

This has indeed happened many times, and if management does not keep the job evaluation plan in harmony with actual conditions the plan will naturally be unworkable. Under the best practice management insists on a flexible plan where jobs are rewritten and re-evaluated to conform with changes in actual working conditions. It is stupid to expect the work to be done the way the descriptions were written; that is, to run the plant so as to conform to the job evaluation system.

After a while, the plan slowly begins to disintegrate under its own weight and under the pressure of changing conditions. That the effectiveness of job evaluation systems is likely to deteriorate in time and under the test of experience is brought out in a recent study of such plans made by the Princeton University Industrial Relations Section. The management of sixty-eight companies answered inquiries about experience with job evaluation in each respective plant. Of these, twenty companies, or almost 30 per cent, stated that the operation of the plans was unsatisfactory. Significantly, dissatisfaction increased with time.

The difficulties involved in maintaining a plan of job evaluation are frequently underestimated. The problem is exactly the same as with incentive rates; when the job is changed the rate must be changed. For some reason many managements have not recognized this and as a result the whole evaluation plan has gradually disintegrated. In salaried groups it is typical for from ten to twenty-five percent of the jobs to require rewriting and re-evaluation each year. In wage groups the changes take place much more slowly; often imperceptibly. There are many installations of job evaluation that have not deteriorated in long periods. The Atlantic Refining Company, with over 12,000 employees, has had a successful plan in effect for eleven years. The failure of some managements to keep job evaluation up-to-date is no indictment of the system itself.

Part III—Criticism

Management's argument for job evaluation plans is often designed to appeal to the local union officials concerned with the accumulated inequities among wage rates in the plant. The proposed job evaluation system is presented to them as a magic formula. Apply the formula and all wage inequities automatically evaporate.

Any management which makes such a claim is, on the face of it, guilty of misrepresentation or of ignorance. It is to be doubted that many managements have made the claim.

Union representatives, shop stewards and business agents acquire a thorough working knowledge of the wage relationships of the jobs manned by people they represent. This knowledge, backed by experience of the men who actually do the work, makes especially clear to them the inadequacy of the judgments of outside technicians who can at best have only a very superficial understanding of what the job is about in operational practice.

Agreed; the better "outside technicians" understand this and so their procedure is to train members of the client organization in tested methods of job analysis and job evaluation, leaving it to those who know the jobs to decide on their worth. This is a valid criticism of the way job evaluation is sometimes used, but not of job evaluation itself.

Labor's most important general criticisms of job evaluation can be very simply stated: (1) Job content, on which job evaluation is based, is not a sufficient measure of what a job is worth: other factors may deserve equal or even greater consideration.

There is no disagreement on this, except that job evaluation is properly used only to determine the *relative* difference in jobs on the basis of *duties* performed. The other factors which affect wages, such as rates in the same area, present level of company rates and other factors, must indeed be taken into account—but *not in job evaluation.*

"*(2) Job evaluation attempts a mechanical substitute for human judgment. We should make judgment more systematic and more responsible, not more mechanical.*"

Quite right, it is granted that many job evaluation systems make no provision for the use of judgment, systematic or otherwise. But *effective* job evaluation is simply a process of making use of "systematic" judgment which the best systems are intentionally designed to do.

"*(3) Much of the complicated job evaluation technique is just hocus-pocus which prevents workers from understanding the pay system under which they work.*"

Some job evaluation methods are indeed "hocus pocus", but if this should be the case it is the duty of the union to say so and be able to justify the criticism. That requires study of job evaluation systems.

Even where the union is represented on the evaluation committee during the job evaluation and on the appeals committee after it had been installed, these committees prove to be merely advisory and without final authority.

Probably this has been true in some cases but most managements are sincere and many could be named that have accepted the result of evaluation performed by a joint union-management committee, thus recognizing the committee decisions as having final authority. Some A.F.L. unions that have had satisfactory experience in being given equal voice in job evaluation decisions are, a Chemical Workers Local in Washington, D. C., a Sugar Workers Local in Philadelphia, an Office Workers Local in central New Jersey, a Teamsters Union group in Eastern Pennsylvania, and many more. It just isn't true that union-management evaluation committees never have final authority.

Job evaluation itself is only the first step in the "evaluated" system of job rate revision.

The second step involves relating evaluated jobs to actual pay scales. In a union plant, this, of course, is subject to collective bargaining. But effective collective bargaining is never really possible where the key to the answer—the complicated estimate of both the immediate and the ultimate cost—is held by the management.

It is the union's fault if the "key to the answer" is held only by management. In a recent negotiation in Northern New Jersey the union-management committee of eight reached final and harmonious agreement on job ranks by evaluation. In the bargaining process which followed the union was assisted by their own consulsultants and showed an equal grasp of the situation to that possessed by management.

This is also true of the third step—the assignment of workers to evaluated jobs. That is the point where theory ends and the system must come to grips with actual jobs and wages affected. When this point is reached, every supervisor wants to have his department placed in a favorable position in relation to other departments. There is a vigorous tug of war in management's ranks. After various superintendents have settled their own squabbles involving their respective prestige, after everyone on the management side is finally agreed about shifts of men to other jobs and about relative wages, management is loath to reopen these questions all over again with the union.

If job evaluation and rate bargaining are correctly and fairly done there is no possibility of any "tug of war". Any well-managed job evaluation plan must always be open to challenge by anyone at any time.

once the union accepts a job evaluation plan, it is likely to find itself in the position of being able to negotiate only the level of all rates and not the rate changes for particular jobs.

Well, what else is job evaluation for but to find out what the proper relationships of job values should be. Applying the rates is a matter of collective bargaining.

A proper wage scale, based on an orderly job classification, has always been sought by unions through collective bargaining. When adjustments in individual wage rates are made currently, in the light of experience and changing conditions, there is no need for the arbitrary, cumbersome and expensive job evaluation plans.

It is hard to determine what this means. If it means that Mr. Shishkin rejects job evaluation and recommends that every single rate be bargained over then he is taking an out-of-date position that is not shared by many A.F.L. unions who have accepted job evaluation. A local of the Sugar Workers A.F.L. demanded and secured from the War Labor Board a plan of joint union-management evaluation over the protest of the company. If Mr. Shishkin means that the rates of individual employees should be subject to union-management agreement within the scope of the job evaluation plan then he is proposing something that most managements will not agree to. However, there are cases to the contrary; even some in which a plan of employee performance rating is jointly administered.

Part IV—Recommendation

"Unions, in order to represent the interests of their members fully and effectively, must study the modern management techniques and keep careful records of job specifications and

job descriptions of workers for whom they speak . . . . Such knowledge and records . . . enable the union to meet on equal footing management proposals for job evaluation and similar techniques.

"Job studies in relation to the rates of pay should not be permitted to become an exclusive prerogative of management. They should be high on the agenda of every union."

This seems like a fair objective for any union.

the very best job evaluation can ever do is to iron out inequities accumulated within the same plant or the same shop. It cannot and should not determine what constitutes the proper level of wages in the plant.

The problem of inequities in wage rates assigned to individual jobs is extremely vital to labor. Job evaluation alone cannot solve it. To make collective bargaining an effective tool for dealing with this problem, the union must develop an effective policy of its own, related closely to the experience of the workers the union represents and to sound trade union objectives.

In framing such a policy, union representatives should bear this in mind:

1. *Take the initiative.*
2. *Develop a clear policy.*
3. *Be fair and constructive.*
4. *Don't try to solve all problems at once.*
5. *Insist on sound administration."*

These are admirable recommendations and will not trouble any sincere management.

"When confronted with a management proposal to install job evaluation for the first time, keep these suggestions in mind:

1. *Have an alternative plan ready.*
2. *Make sure that the members understand what is involved.*
3. *Acceptance of some plans may be justified."*

No quarrel here.

"If the union decides to accept a job evaluation plan, it should insist on these minimum requirements for its acceptance:

1. *Simplicity.*
2. *No loss of pay.*
3. *Union participation from the start.*
4. *Sound administration."*

Few managements will find these conditions difficult to accept.

"For a union confronted with a job evaluation plan already in effect, this advice should be helpful:

1. *Learn every detail of the plan.*
2. *Try to make it sound and workable.*
3. *Decide on policy in the light of experience."*

This is constructive advice to which no exception can be taken. It is to be hoped that union locals will follow it and by this means contribute to harmonious union-management relations.

The interview remains the most-used method for the final selection from among candidates, though it's reliability has long been questioned. This is a description of how the usual interview was supplanted by an undirected group discussion participated in by all candidates, with the judges watching from the "side lines".

Judging Candidates by Observing Them in Unsupervised Group Discussion

By William Brody, Director of Personnel, Department of Health, City of New York

The personal interview has been the traditional method of selecting employees to fill vacancies. The advocates of paper-and-pencil examinations, performance tests and other measuring devices however have been deriding the interview for at least thirty years on the ground of low validity. Even the most fanatic opponent of the oral interview, however, will admit that there are some personal characteristics which nothing else can measure as well.

The use of a check-list, the specific definition of factors to be measured, selection by a board of interviewers rather than a single individual, the development of a reviewable record by means of verbatim notes and even electrical transcription, all have helped to increase the objectivity and reliability of the interview.

A new method is discussion among a group of applicants; what amounts to a self-examination under the silent scrutiny of the persons responsible for making the selection. This is a useful method whether the applicants are all presently employed and competing for a higher-level position or are new candidates for original employment. It could be used, for example, where a central key position is to be filled by the selection of one person out of several from different departments.

The group interview test follows these steps:

1. *Give other tests first.* If candidates are to be weeded out on the basis of a battery of tests, all such other tests should be given first.

2. *Divide candidates into small groups.* If more than ten or twelve candidates are still in the running, they should be divided into groups each consisting of six to twelve individuals.

3. *Select suitable topics.* A topic (or several) suitable for group discussion and related to the duties of the vacant position should be selected. In addition, it may be found desirable to prepare a separate topic for talk by each candidate, to be followed by group questioning and criticism.

If the topics are not too technical or specialized they may be given to the candidates for the first time at the beginning of the actual test. On the other hand, if they are of such a character that they may give an advantage to one or more of the competitors, it might be well to release the list of topics long enough ahead of time to enable candidates to prepare themselves.

This group test was recently given to candidates for a medical position in the Department of Health of New York City. The topic chosen for group discussion was furnished to all candidates five days in advance. It read as follows:[1]

> "You and the other members of the group, as leading physicians known to be interested in matters affecting the health of your community, have been invited by the Commissioner of Health of the City of New York to consider the following problem, and to give him group recommendations. These recommendations are to be forwarded to the Commissioner at the close of your meeting:
>
> "Rabies among animals is increasing rapidly.
>
> "There are about 200,000 licensed dogs and an estimated additional 200,000 dogs in the New York City area. What control measures should be taken?"

Each candidate was allowed his choice of eight topics (also supplied five days in advance) for a 3 to 5 minute talk. Three of the topics were:

a. "You are attending a meeting of the Committee on Public Health of your County Medical Society. The committee has passed a resolution urging the City Department of Health to establish a post-war program for the control of tropical diseases. As a member of the committee you are called upon to express your views as to what the official health agency in the city might do toward this end."
b. "You are attending a meeting of the Parent-Teachers Association of a private school to which you send your child. The subject of rheumatic fever is being discussed and you are called upon by the chairman to discuss the public health implications of rheumatic fever as it might involve this school."
c. "At a Kiwanis luncheon you, as one of the medical members, are asked to tell the group about the present smallpox situation in New York City and advise them what to do for themselves and their families."

4. *Factors for evaluation of candidates.* For evaluation of the participants select factors which are important for the vacant position and which can be measured in the group interview situation.

[1] Margaret W. Barnard and William Brody—"A New Method of Selecting Health Officers-in-Training." American Journal of Public Health, Vol. 37, No. 6, June 1947, p. 716.

The following factors were used in the Department of Health test:[2]

"1. *Appearance and Manner.* Poise, physical alertness, attentiveness, courtesy, good manners, absence of mannerisms.
"2. *Speech.* Power of expression, vocabulary, diction, modulation.
"3. *Attitude towards Group.* Tact, cooperation, ability to mix, flexibility.
"4. *Leadership.* Ability to assume the lead without giving offense; acceptance by group.
"5. *Contribution to Group Performances.* Team-worker or prima donna, awareness of objectives of group discussion, ability to reconcile differences.
"6. *Scientific Approach.* Ability to marshal data, awareness of implications, ability to reason, ingenuity, mental alertness, judgment."

5. *Assemble the group in a room.* Provide a table with a sufficient number of chairs *placed at the sides only.* (If the participants subsequently acknowledge one of their number as chairman, he can move his seat to the head of the table.) Provide seating arrangements for the person or persons who are responsible for the selection along the walls, making sure that all the candidates can be both seen and heard.

If the participants are not known to each other, supply clearly visible name cards (a folded 5" x 10" sheet of heavy cardboard with the individual's name in large letters on two sides has been found useful).

6. *Giving Instructions.* Start the test by distributing a written sheet of instructions to each competitor. This sheet should contain a statement of the subjects to be discussed by the group (whether or not this information was supplied previously) and instructions as to how to proceed. These instructions should not be too specific, since one objective of this situation is to see how the candidates will respond to the need for initiative and judgment. They might be something like this:

> "You will be rated on the value of your contribution to the recommendations made, your approach to the problem, your group participation, and your manner and speech in presenting your opinions.
>
> "SPEAK CLEARLY SO THAT EVERY ONE CAN HEAR YOU. The group itself will decide how the discussion is to be carried on. Start the discussion as soon as every one has finished reading this statement. Continued until a signal is given to stop."

7. *No additional directions should be given.* The candidates are now on their own. Their aggressiveness, courtesy, ingenuity, tact, persuasiveness—in fact, everything they say and do—should be watched closely.

It might well be that the person who takes the initiative and gets the group organized will retain his position of preeminence throughout the session. On the other hand, he might fall by the wayside when his colleagues discover that all he has to contribute is aggressiveness. A slow starter might eventually dominate the situation.

[2] [illegible] J. F[illegible] "A New Approach to Oral Testing." Educational and Psychological Measurement [illegible]

8. *Individual talks.* If provision is made for individual talks, in addition to this group discussion, it will be necessary to call a halt to the discussion when it reaches a logical conclusion, or when sufficient evidence concerning all participants has been obtained, or at a prearranged time. If it is considered important that every candidate should contribute something that can be evaluated these individual talks should be included. It may happen that one or two candidates will not participate in the group discussion to any appreciable extent.

The individual talks should be introduced by a written sheet of instructions containing a list of the topics and some such statement as:

> "After you have finished the members of the group will assume that they constitute the appropriate audience for your remarks and will ask pertinent questions.
>
> "The order in which each individual is to speak will be determined by the group. The group will also decide how much time should be allowed for general discussion after each talk.
>
> "Start the discussions as soon as every one has finished reading this statement.
>
> "SPEAK CLEARLY. You will be rated both on your own presentation and on the questions you ask."

9. *Rate candidates.* Conclude the session, rate all candidates on all factors, and combine the results with the findings of previous tests.

The group interview test appears to have these advantages over the usual individual interview:

1. The candidates are in action and under observation for from two to four hours. In the same amount of time on the part of the examiners each applicant could be granted individual interviews of only twenty or thirty minutes.

2. The group interview permits the persons responsible for making the selection to devote full time to observing, listening, taking notes, and evaluating the evidence. No thought need be given nor time taken for the preparation and presentation of key questions, parrying questions, and follow-up questions.

3. It prevents any bias in evaluation caused by the use of different questions for different candidates.

4. It is more revealing because it stimulates the candidate more than the question-and-answer relation between interviewer and candidate.

5. It provides valuable information concerning the attitude of each candidate towards the other members of the group, as well as of his reactions to their attitudes. This is particularly important in choosing some one for a position where group discussions and conferences are an important part of the job.

6. It presents specific evidence concerning the ability of each candidate to be a leader in a group.

7. It requires no skill in asking questions on the part of the interviewer.

Selection for many of the more important positions might well be improved by this method. The successful if limited experience with it suggests the desirability of giving it a trial in industry and government.

Philips Group is an English corporation with a number of plants making different products, mostly in the electrical industries. With its affiliates it is one of the largest makers of lamps in the world. These short articles on foremanship show an appreciation of the importance of the foreman which is like the best American practice.

The Foreman At Philips Group

From Philips Group Magazine*

The Foreman

By Robert Watson, Chief Personnel Officer, Philips Group

There is to-day a tendency to overlook the vital task of the foremen and chargehands in the production lines, in machine shops and toolrooms. For this reason, this issue of the Magazine rightly brings into prominence representatives of the foremen in Philips, who bear much of the "heat and burden of the day." With the growth of specialisation, advances in Joint Advisory Committees and in Personnel Departments, the fact that management policies travel through our foremen and chargehands to our workers cannot too often be stressed. More and more attention is being paid to keeping supervisors well informed on management policies, to giving them adequate facilities to do their jobs well, to recognising their proper status as key members of the management.

Personnel Management has sometimes been regarded as taking away from the foreman a part of his authority. Personally, I think there has been in the past good reason for many foremen in industry holding this opinion. In our own factories, there may still be some feeling on this point. There is certainly a feeling that Shop Stewards have gained in status at the expense of the foreman. Nevertheless, the key role of the Shop Steward as a representative of the worker is no less important than the full recognition of the management status and authority of the supervisors. I believe that we are making headway in recognising the mutual responsibilities of the supervisors appointed by the management and the democratically elected representatives of our employees.

Fortunately, full recognition of trade union rights, and full management backing for discussions with organised workers, under comprehensive democratic machinery, are recognised as the hallmarks of Philips' labour policies. Those who assist the

*Reprinted from Philips Group Magazine, July-August, 1947.

development of this machinery are making a concrete contribution to production. Such contributions also assist the foremen and chargehands in their difficult jobs of maintaining output under conditions of the most severe national labour and raw material shortages yet known in this country.

Production discussions among British managers emphasise the attention which will be paid in the future to the selection of supervisors. This issue describes briefly endeavours, started originally at Stella, and now being further developed by our factory managements, to assist fairness in promotions and the maintenance of good management-employee relations. These experiments are believed to be among the most advanced in industry in the upgrading of supervision. They illustrate that higher standards of management will be required in the critical days ahead.

The Foreman To-Day

two supervisors give their views

By G. T. Egan, B.E.M., In charge of Mitcham Works Toolroom

In former times it was undoubtedly true that the foreman was regarded by workers of all grades as something of an "ogre"—someone whom it was highly dangerous to cross and the condition of whose liver at any time had a profound effect upon the minds and general outlook of lesser men! A brusque and uncompromising manner, combined with the rare quality of expression in a rich and colourful language, on any issue, was as typical of the foreman as was his bowler hat.

The times have changed, and to succeed to-day the foreman must take the time and the trouble to gain a clear appreciation of each of his workers and to regard them as *individuals*—each requiring separate treatment. Industrial evolution now demands the efficient co-ordination of the efforts of all workers in the Department and the creation of the closest liaison between each worker, the foreman and Management.

With these requirements, the selection of personnel for promotion to foreman grade becomes a matter for serious consideration. In my view it is desirable that selection be made from personnel on the plant whenever possible. The knowledge of our own staff which we gain by actual experience forms a valuable aid in selection. We must realise, however, that we want the best available material and when special knowledge or ability is essential, we may also have to consider people from the outside.

I believe it is a good thing for the foreman to have the opportunity of discussing common problems with his fellow foremen. By regular monthly Foremen's Discussion Group Meetings, foremen on the plant, together perhaps with foremen from other Companies could exchange views and gain the benefit of the collective knowledge and experience of members in the solution of problems. These discussion groups need not necessarily be held within normal working hours. Indeed there may be some virtue in holding groups after the day's work has been done—at a time when very often we see our problems more clearly.

By C. F. Whittaker, Foreman of the Neon Department, Stella Lamp Company

The old type of foreman whose authority was based on fear has gone for good, and it is necessary to replace him by a foreman who is capable of a high degree of human understanding.

Many qualities are needed in a foreman: foremanship is a technique which must be learned and not just picked up. To have good technical qualifications is not enough.

Foremanship must be recognised as a part of the managerial function, and therefore a foreman must have executive authority in his own department.

It is important that service departments, such as Personnel, Planning, and Time and Motion Study, are recognised as aids to the foreman rather than as usurping his authority. A foreman must have a working knowledge of such functions as planning and costing.

The line of promotion open to a foreman should be clearly defined, and opportunities for training should be given.

It is essential that a foreman should be respected for fair and straightforward treatment, and should have the confidence of the operators under his control. He must be accessible to operators and must investigate complaints thoroughly, giving praise and blame where it is due.

In conclusion, the modern foreman can be an invaluable help in creating the recognition of the dignity of human labour, without which recognition, in my opinion, industry will not achieve the efficiency which is so essential in the present situation.

Foremanship Training

By G. A. Taylor, Group Education and Training Officer

During recent months a number of our plants have been engaged on the Training Within Industry programmes for Supervisors, which have now become established as an integral part of any training programme in Foremanship.

At Blackburn well over 200 supervisors have taken the Job Instruction Programme, and either Job Relations or Job Methods will follow in the very near future. Hamilton, where the number of supervisors is rather smaller, have given Job Instruction to over 100 supervisors and a start has been made with Job Relations. At Mitcham more than 300 supervisors have passed through Job Instruction; the Job Relations programme is proceeding rapidly, and the number of supervisors who have unburdened their "problems" under the procedure practised in this programme now approaches 200. To deal with Mitcham's requirements four trainers are kept on the active list.

Stella are well advanced in the use of all three programmes—all supervisory grades having been covered and—an important feature—the majority of supervisors are applying the principles of T.W.I. in their daily work.

At Waddon, groups in Job Instruction have been recently introduced, and good progress is reported.

It is not the purpose of these condensed courses in supervisory training to add to the burdens of Foremen or Chargehands. T.W.I. aims at giving supervisors a practical tool with which to work—something which they can use on the job now, and which will give them immediate results.

The success of a supervisor is directly related to his ability to handle people. T.W.I. helps him to acquire the necessary ability quickly, but the principles must be applied to the job of work in the shop—otherwise the time spent on the courses is largely a waste of time, and time is a commodity with a high premium value in these days.

Experimental Selection of Operators for Supervisors' Jobs

Some time ago at Stella and at Mitcham over the past three or four months, experiments have been conducted in the selection of men for supervisors' jobs. The idea behind the experiments was to make sure that no one who was worthy of promotion was overlooked, and that the most suitable people should be selected by as fair a means as possible.

The procedure established at present may be described briefly. Notices are posted asking for applications from operators for chargehands' vacancies.

Each applicant is then rated on his ability to perform his present job by his immediate supervisor, and is interviewed by a member of the Personnel Department.

The applicants are then brought together in a group of about eight, and are given a number of tests. The tests are of three types: group discussion of some topical problem, an individual administrative test in which the applicant has to deal with a typical problem in a chargehand's work, and one or two paper and pencil tests.

During the first two tests, a selection committee observes the candidates and later discusses them, arriving at a final rating of each applicant.

The applicants are then invited individually to give their comments on the selection methods. The general impression so far seems to be that the tests have been enjoyed, the whole procedure has been considered fair and worth-while, and, although the procedure is not perfect, yet it will help to establish promotion on a fair basis; everyone will have a good chance to show his abilities.

It is expected that this method of selection will be extended to other grades of supervision, and to other factories, that it will be improved, and become even more effective. Up to the time of writing, twelve operators have been upgraded to chargehands, and six more will probably have been by the time this appears in print.

Some remarkable contributions were made by psychologists in the armed services during World War II, one of the most valuable being the development of methods of picking the candidates who would succeed and eliminating those who would fail from among those seeking admission to flying schools. Here is a discussion of how industry can use psychologists.

Psychologists in Industry

By Louis L. McQuitty, Department of Psychology, University of Illinois

Industry can learn a good deal from the experience of the military services in finding effective ways of using psychologists. They were used in only a limited way in the first World War but in the last war they were found valuable in a wide variety of assignments. In 1919 industry adopted psychological testing with enthusiasm, but so many mistakes were made that tests were discredited nearly everywhere. The phenomenal success of psychological methods in World War II has again attracted the attention of industry where many psychologists are now employed, although until recently there were very few.

Where Psychology Is Valuable

Before discussing why industry has not been able to use psychology as effectively as the military services it is appropriate to outline some of the fields in which psychology is of value.

a. *Personnel Selection:* Each job requires a definite set of abilities. Some of these abilities can be satisfactorily measured by psychological tests which should be carefully constructed or revalidated to meet the particular requirements of the situation in which they are to be used.

b. *Promotions:* It is common practice to fill vacancies from those who have performed exceptionally well at the next lower level of responsibility. This assumes that success in a lower position is the best prediction of success at the next higher level. There are, however, many exceptions. A study by psychologists will reveal the additional requirements for success at the higher level. This would include, among other things, a plan of organization showing the most suitable channels of promotion as determined by job requirements.

c. *Performance Rating Scales:* Many performance rating scales used by industry today employ methods proven to be of little value. These can be replaced by more

effective ones. Psychologists have made comprehensive studies of rating scale methods and have stated the principles which should be used in developing effective rating scales, which can be especially adapted to the needs of any given situation.

d. *Training Interviewers:* Interviewers vary greatly in skill. Many of them are relatively ineffective because they have not been taught the best methods available. A number of careful research studies have shown that the batting average in personnel selection can be raised by using better interview methods.

e. *Evaluating the Person:* Proper evaluation of Personnel requires skillful interpretation of psychological test scores, work histories, and personnel characteristics and experience as gleaned from interviews. This cannot be skillfully done without careful training and supervision by a well qualified specialist. The highest art of the interview is that attained by the clinical psychologist experienced in industry.

f. *Administrative Organization:* Proper administrative organization depends on many psychological principles. One of these is that all the tasks of one job should be at approximately the same intellectual level. Industry wastes huge sums annually by requiring junior executives to perform tasks below the intellectual requirements of the principal parts of their jobs. Application of appropriate psychological principles in specific situations has (1) lowered conflicts between employees caused by personality difficulties, (2) decreased the number of persons needed to perform a given task, and (3) increased output.

g. *Job Evaluation:* Psychological studies have produced a number of effective procedures that have not yet been widely incorporated into job evaluation methods.

h. *Training Methods:* Methods used in training vary greatly in their relative efficiencies. Too many trained people are not familiar with fundamentals, such as the laws of learning. Better results can be achieved by training instructors in the most effective methods.

i. *Safety:* Some people are more prone to accidents than others. Accident proneness is often specific to a particular type of job. This means that some people are more accident prone in some jobs than in others. For example, many jobs call for quick responses; some require rhythm; some demand emotional stability. In addition to accident reduction through proper personnel selection, further reduction can be achieved (1) through design of equipment in relationship to human abilities and limitations and (2) through training in safety methods and precautions.

j. *Incentives:* Incentive plans which were once highly effective sometimes decline in effectiveness. Those which were effective in one plant may fail when transferred to another. The relative potency of incentives is, in part, a function of the social structure of the plant, the company, the community and social groups. These social structures continually change. The effectiveness of incentives should be studied in relationship to attitudes, opinions, morale and other information.

k. *Company Morale:* Many companies do not have the wholehearted support of their employees. Sometimes this is because employees have not been informed properly concerning the company. Many psychological and sociological factors are involved here which are of such a nature as to make the problems and their solutions somewhat peculiar to each individual company.

These are some of the fields in which psychologists can be of definite value to industry. Some of the factors involved in incorporating psychological values into industry may now be discussed.

Problems in Using Psychology

One of the difficulties of using psychologists in industry grows out of the fact that most psychologists are highly trained specialists. Some are specialists in vision; some in child development; some in statistical methods as applied to psychology; some in appetites; some in abnormal behavior; some in test construction and some in personnel evaluation. This concentration in highly specialized areas means two things:

1. The psychologist is unfamiliar with industrial conditions which are matters of everyday experience to the industrialist. The psychologist's time has been consumed principally by study of his chosen field, psychology, and by his high degree of specialization within his field. His lack of familiarity with industrial conditions must be remedied. This can be achieved through appropriate guidance and development within the firm and industry in which he serves.

2. Psychologists should be chosen for particular positions on the basis of their specialization. This is why some of the higher headquarters in the military services had specially qualified officers charged with the proper assignment of psychologists.

A second problem which must be solved, in order to use psychologists most effectively in industry, relates to the nature of psychology. Psychology is the study of behavior; the study of human activities; what people do and what they think. The psychologist is interested (1) in describing behavior effectively, (2) in predicting what people will do or think under specified conditions, and (3) in controlling conditions so that people will do and think as desired. All three of these represent primary interests for the industrialist. More effective description of the behavior of key personnel would greatly assist in determining which employee to promote. More effective prediction of what people will buy would greatly assist in planning the production program, and more effective control of how people behave would help increase production and sell that which is produced. It is remarkable that industry has not learned more about how to use them. The psychologist, like most other highly trained specialists, is relatively uninformed in many things which are of practical and everyday importance to the industrialist. He differs from other specialists in that his specialty is much more intimately related to these practical matters. The physicist, the physiologist, and the chemist can serve effectively in industry and still remain relatively naive concerning most industrial conditions, but the psychologist must become well informed concerning the traditions, philosophies and practices of people in industry if he is to be well and widely received and if he is to be productive. If he is not well informed in these things he will blunder and even appear ridiculous to industrial executives and other employees.

An Educational Deficiency

There are definite reasons why psychologists are not well informed about the conditions which exist in industry. First, psychology is a very young science; still an infant by comparison with most other sciences. The first psychological laboratory was founded less than seventy-five years ago. It is only in very recent years that psychology has demonstrated its potentials in the industrial world and psychologists are just now coming to realize the importance of knowledge of the areas in which they may apply their science. Most present day educational programs are not designed to train applied psychologists both in the fundamentals of the science of behavior and in the fundamentals of the field in which they may apply them. This deficiency in the education of the industrial psychologist is due in part to the fact that other sciences, such as physics, chemistry, and physiology are less closely related to the fundamental practicalities of the fields in which they are applied. Education has never been required to teach industrial fundamentals in these fields and has neglected them in the youthful science of psychology. A number of universities are now taking steps to remedy this situation.

Psychology in the Military Services

The military services have a method of making psychologists more practical. Industrialists can profit by a consideration of how this military method works. Military tradition insists that each enlisted man must be a qualified all-around military man before he can be a specialist, and each officer must be a qualified all-around military leader before he can be a specialist. The rapid expansion of the services lessened the influence of this tradition to some extent, but it did operate very successfully, especially in the earlier days of the expansion, to make some psychologists learn military methods and traditions. It gave them what their education had neglected and they became much more practical. It gave them an understanding of the situation in which they must apply their science. In the rapidly expanding services there were some psychologists who consciously or unconsciously resisted the influence of military traditions and restricted their activities to a narrow professional interpretation of their roles. Many of them thus limited their capacity to contribute. Other psychologists were in specialized assignments where they could work with less knowledge of military fundamentals. Even some of these might have made greater contributions if they had gained more knowledge of military matters.

The important consideration from the point of view of the industrialist is that some psychologists accepted the traditions of the military services. They became relatively well-versed in military traditions, customs and practices. They learned to see problems from the point of view of the professional army officer. They developed the ability to spot militarily significant problems overlooked by their more specialized colleagues. They became adept in timing their psychological presenta-

tions and they developed an ability to present them effectively from the military point of view. These psychologists became professional officers, in so far as this could be achieved in the relatively short time involved and were given more important assignments where their scientific knowledge of behavior had greater influence.

Industrial Possibilities

Similarly important contributions can also be made by psychologists in industry. This is because psychologists are trained in understanding the behavior of people. Industrial administration requires the effective direction of people and good administration can be achieved only by an understanding of human behavior. The whole problem of human relationships in industry is a problem of behavior which falls in the field of psychology. Psychologists can be of little value in the field of industrial relations, or in any of the other fields of industry, unless they are well acquainted with the practical problems involved. Many practical-minded industrialists are more effective in solving them than are some psychologists. These industrialists are often spoken of as practical psychologists. They would be still more effective if they were thoroughly grounded in the science of behavior; if they were psychological industrialists. Psychological industrialists can be developed, just as the military services developed psychological military personnel.

Selecting A Psychologist

The following list gives the suggested qualifications which a psychologist should possess in order to be considered as head of a psychological program in industry:

a. The degree of Ph.D in psychology from a recognized university.
b. Member of the American Psychological Association.
c. A genuine interest in industry and a desire to learn the industrial situation thoroughly.
d. Qualifications identical to those required of one being selected for development into top level industrial management. This is because the most valuable man in industry is the industrialist with thorough psychological understanding. It is here proposed that such a person be obtained by selecting a well-qualified psychologist and developing him into an industrialist.
e. It would be desirable to have had army experience in such programs as interviewing, personnel selection and promotion, counseling, morale, education, and training.
f. It would also be an advantage if he has had a number of high-level, non-specialized, administrative assignments in the military services. There are such assignments in the military services where the military psychologist has been concerned principally with specialized psychological developments. This is valuable experience if the same individual has proved his comprehension of the military viewpoint by also having been successful in non-specialized high-level administrative assignments.

It is also suggested that assignments at a military post, camp, or station are preferable to those in a higher headquarters because the latter are apt to be too specialized and because they are too far removed from military operations to give the psychologist the most deisrable practical experience.

Points "a" and "b" are to insure professional psychological qualifications. Some psychological programs in industry following World War I failed because they were administered by unquaified personnel. Other such programs have continued with only a small proportion of their potential success. Industry can do as the military services have done. They can give industrial training to professionally qualified psychologists. Many psychologists in the military services have preferred to perform only in areas which are purely psychological. Those who have broaddened have done so under the pressure of the military tradition. If a psychologist is employed without military training, it is suggested that consideration be given to the following list of qualifications:

a. Qualifications "a", "b", and "d", as listed above for military psychologists.
b. Training in industry.
c. A willingness to perform non-psychological duties in order to become more valuable to industry.[1]

Developing the Psychologist

Having selected a psychologist qualified to supervise psychological programs in industry, the next problem is to give him industry knowledge. The required development will of course depend on the qualifications of the individual selected. The psychologist should be brought in just as would any other employee and he should be placed in a division which concerns itself with some such program as training, personnel selection, morale, occupational analysis, working conditions, promotions, or labor relations. The value of such a program will be in its successful development. This is more healthy than if the program were adopted ready-made and super imposed on an operating organization. Psychology, being concerned with people, must be carefully introduced to prevent some supervisors from thinking that it will interfere with their authority. This would jeopardize the success of the program. If the psychological program develops so that it appeals to top management, top management can further its development. The scope and value of the psychologist can be enlarged by appropriate and successive placements in the organization As the several psychological programs develop, it may be desirable to employ additional psychologists, some of whom may be highly trained specialists. The work of the specialist can be given industrial orientation by the psychological industrialist who has been appropriately developed and who has proved his worth.

Industry, like the military services, can secure great value from psychologists if they are used properly.

[1] Information concerning the availability and qualifications of psychologists can be secured from the Executive Secretary, The American Psychological Association, Inc., 1515 Massachusetts Ave., N.W., Washington, D. C.

Labor relations people will find this article a mine of practical information on the intricate problem of negotiating a labor contract.

Negotiating the Collective Bargaining Agreement *(concluded)*

By Richard C. Smyth, Director of Industrial Relations, Bendix Radio Division of Bendix Aviation Corporation, and M. J. Murphy

Bargaining Strategy and Techniques

The strategy and techniques of successful bargaining and negotiating are many and varied. For centuries in commerce, trade and politics the techniques have been practiced and developed to a fine and complex art. The vendor in an oriental bazaar and the purchasing agent in modern commercial life both engage in bargaining. A good example of the highest type of modern collective bargaining is the negotiation of international treaties.

Like any art, the art of collective bargaining involves the subtle and complex intermingling of many skills and techniques, some highly significant, some minor, but all blended and nicely adapted to the characteristics and needs of the individual practitioner. It is difficult to attempt to analyze the component parts of the art because the pattern involved, i.e., the relationship of the parts, is so important. In view of this difficulty the following observations concerning some of the bargaining techniques that have been used successfully are offered with full recognition that, taken individually, their significance in actual use cannot be completely represented.

1. *Talk Facts*

The use of facts stands out as fundamental in a mature system of collective bargaining. In describing negotiations in the hosiery industry, Dr. George Taylor makes the following observation:

> "A 'factual approach to collective bargaining' is now taken by the parties as their guide. Negotiations for a new agreement have become more and more a joint appraisal of a host of facts bearing upon the state of the industry and the wages that can be paid."[7]

Unfortunately, however, the importance of the use of facts in collective bargaining negotiations is frequently overlooked. Many negotiators, possibly through

[7] The Twentieth Century Fund, "How Collective Bargaining Works", p. 453, 1942

laziness or conceit, tend to rely too much on their persuasiveness. This same persuasiveness, if effectively supported by facts, would, in most instances, greatly strengthen the presentation of their case. In this connection, one union handbook states: "The negotiator must be well posted. He cannot know too much about general conditions in the industry in order to refute the employer's arguments with specific facts and reasons in any given instance. If he knows more than the employer about the industry, he can win the battle of wits."[8] Obviously, as unions become increasingly better prepared, it is even more important that management's negotiators be adequately supplied with facts. This is true since management's emotional case is much weaker than the union's. It is one thing to be emotional about "downtrodden employees" but much more difficult satisfactorily to present the problems of management with any similar appeal.

Like any other bargaining device the use of facts is not a panacea for all negotiating problems. However, there is no doubt that, as factual arguments are introduced into collective bargaining by the parties, many areas of disagreement or conflict can be eliminated or reduced. Nevertheless, even after the facts have been skillfully injected into the discussion and even if they are accepted by the other side at face value, disagreement may still exist over certain items, such, for example, as how the gross income of the concern shall be distributed. As Chamberlain has pointed out, "A word of caution is advisable. While factual collective bargaining tends to develop a smoothly functioning employer-union relationship, it guarantees no millennium. Divergent interpretations of jointly determined facts will still provide disagreements. Conflicts of interest will continue to exist. Nevertheless, it seems beyond doubt that a factual basis for negotiations is an essential requirement for a mature system of collective bargaining."[9]

2. *Exercise Self-Control*

The successful negotiator recognizes that he must always retain his self-control during negotiations, regardless of the provocation offered by the other side. In addition, obscenity or personal vilification cannot be countenanced by either side at any time. However, this does not preclude a display of anger or other emotions on occasion when such a display shows promise of helping to win a point. It does mean, however, that emotional displays should at all times be under the negotiator's control and not merely random outbursts. Hill and Hook illustrate this point perfectly: "At a meeting before a panel of the War Labor Board, a spokesman for the union put on a great show of being angry with the company. His face became red, his eyes popped, he spoke loudly and emphatically and showed all the signs of an individual very much exercised. Later, the chairman of the panel mentioned to the labor representative on the panel that this particular union leader certainly had a bad case of temper. The labor representative on the panel replied:

[8] "Handbook of Trade Union Methods", Educational Department, International Ladies' Garment Workers' Union, p. 63, New York, 1937.

[9] Neil W. Chamberlain, "Collective Bargaining Procedures", p. 98, American Council on Public Affairs, Washington, D. C., 1944.

'Oh, no, I happen to know this individual very well. I personally spent hours and hours in a hotel room several years ago teaching him how to give the appearance of having lost his temper without actually doing so.' "[10]

3. *Tell the Truth*

Centuries ago Montaigne expressed the practical dangers of falsehood in the following words: "He who is not sure of his memory should not undertake lies". While this admonition appears to apply to all human relationships, it is particularly pertinent to the field of collective bargaining. The successful negotiator must be an individual of high personal integrity whose work is accepted by the other side and who fully intends to live up to the spirit and intent as well as to the letter of his commitments.

However, while the foregoing definitely means that what is said should be the truth, it does not necessarily imply that the negotiator should tell all that he knows. The occasional holding back of information is a legitimate and, if judiciously used, a desirable bargaining tactic.

4. *Ask for More Than You Expect to Get*

One of the foremost bargaining techniques in any negotiation situation is that of asking for more than is ultimately expected. This permits subsequent compromise on the negotiator's part. In addition, since he usually has no way of knowing how much in the way of concessions he may finally secure, he may actually come out with more than he had originally expected. This device is extensively utilized by unions and can also be used successfully by management in the preparation of its counter-demands. For example, one experienced management negotiator states: "Asking for more than is expected is an inherent part of bargaining, and management should never hesitate to use the device. Those on the other side of the table are impressed by keen business acumen; in fact, stiff counter-proposals are often valuable to union leaders in tempering the demands of constituents. There is seldom contempt on the part of union people for a management which bargains astutely, sharply, firmly, honestly, and straight from the shoulder. The belief that stiff counter-proposals will incite the union to harder demands is fallacious. It is that kind of thinking which has prevented greater management progress in bargaining results. It is defensive, fearful, and regressive thinking. It has no place in adept bargaining. Management should adopt a typical union slogan, 'give only to get'; and it must know what it wants."[11]

5. *Offer Less Than You Expect to Give*

A corollary to the negotiator's asking for more than he expects to get is to offer less than he expects eventually to give. To some, such tactics may sound like a child's game, or appear similar to purchasing a rug from a street peddler. However,

[10] [illegible] H. Hill and Charles R. Hook, Jr., "Management at the Bargaining Table", p. 240, McGraw-Hill Book Company, Inc., New York, 1945.

[11] [illegible], "Negotiating a Labor Contract", American Management Association Personnel Series No. 91, *Practical Approaches to Labor Relations Problems*, p. 44, New York, 1945.

no matter how distasteful the process may be to any specific individual, experienced negotiators have found the method to be very necessary in order to protect their interests. "The union will invariably present demands for at least twice as much as they expect to get. On the other hand, they will expect that the management's first offer is less than the management will eventually be prepared to agree to. In preparing its first proposal, therefore, management negotiators should bear in mind that negotiations are a fluid, dynamic process, requiring flexibility on the part of the negotiators and requiring room for adjustment in management's position as negotiations progress."[12]

6. *Make Final Offers Final*

It is poor bargaining for a negotiator to make a flat "final offer" unless he sincerely means that it actually is his last and best offer. Careless and injudicious protestations by a negotiator that he has "gone the limit" only to be followed in short order by even more liberal proposals can seriously prejudice the satisfactory disposition of many demands. Under these circumstances, the opposing committee members naturally tend to lose confidence in the negotiator's sincerity in making his so-called final offers and tend to persist in believing that he will grant further concessions if really pressed. At best, such a state of affairs promises to slow down the negotiations substantially and at worst it may lead to a much less favorable settlement of the demand in question than might otherwise have been reached. This latter point is effectively illustrated by the following case: "The writer sat on an . . . arbitration panel, where the company negotiator made five final 'take it or leave it' propositions to the union. The union committee was unable to determine where it stood, and was afraid to accept any offer for fear the company might make make a better one. So the case was not settled, and finally was carried over to the National War Labor Board which gave the union all it demanded in the way of wages, and tossed in a maintenance of membership shop for good measure. The insincerity of the company's negotiators convinced the board it was not bargaining in 'good faith.' "[13]

7. *Stick to Particulars*

A mistake commonly made by inexperienced negotiators is to argue on the basis of "principles" instead of "particulars". In the majority of instances where the phrase, "We won't do it as a matter of principle" is heard, what is actually meant is simply that, "We don't want to do it."

The lack of productivity that so frequently characterizes a discussion of principles is the result of two major factors: (1) Such a discussion is necessarily based largely on generalities, abstractions, and theoretical considerations, the consequence being that it is difficult to keep the discussion anywhere near the specific problem that the parties are allegedly trying to settle; (2) Such a discussion, because beliefs

[12] Lee H. Hill and Charles R. Hook, Jr., "Management at the Bargaining Table", p. 255, McGraw-Hill Book Company, Inc., New York, 1945.

[13] John C. Aspley and Eugene Whitmore, "The Handbook of Industrial Relations", p. 136, The Dartnell Corporation, Chicago, 1943.

or basic convictions are so intimately involved, tends to arouse strong emotional reactions that could never be elicited by a discussion of particulars. For instance, it is far easier to argue long and passionately over the general principle of wage incentives than it is to become excited over a specific piece work rate.

Generally speaking, it requires but few experiences with questions of principle to convince the serious negotiator that the process of bargaining will be simplified and expedited if the discussions, in as large measure as possible, ignore abstractions and are confined to particular issues. Selekman, for example, observes, "Any negotiator who even scents a 'principle' approaching the deliberations from the inner recesses of his own philosophy of what labor relations 'ought' to be should smother it in an assiduous, concentrated discussion of particulars. . . ."[14]

8. *Question the Evidence*

The technique of questioning the validity of the facts or data submitted by the other party is one that can upon occasion be used to good advantage by both sides. If the opposition, upon being challenged to produce substantiation of data which have been offered or to support conclusions drawn from the data, is unable to do so, much of the force of their argument will be lost. Similarly, if it is possible to bring forth evidence that disproves or discredits the facts that have been presented by the opposition, the same result will be achieved.

This approach, if used too often, can degenerate into mere "baiting" of members of the opposing committee and, as such, will accomplish little except to fray tempers. On the other hand, if sparingly used and if applied largely in the case of important demands, it will often lend substantial aid to its users.

9. *Time All Moves Carefully*

Undoubtedly the parties will have accumulated a considerable mass of material during their preparations for the negotiating sessions. However, it sometimes happens that, through failure to recognize that the timing of the presentation is an important art, one or the other of the parties will fail to derive full benefit from the facts that have been so laboriously gathered.

Quite often, like the proverbial novice teacher who gives his whole course in the first lecture, the inexperienced negotiator will make the mistake of blurting out all of his facts and arguments early in the bargaining process. In such a situation a clever opposition negotiator can very probably find one or more real or alleged errors of fact or conclusion in the presentation, thus reducing or nullifying its value, or can effectively force the unskilled negotiator on the defensive by requesting substantiation of some or all of the facts.

Generally speaking, good timing involves holding most factual arguments well in reserve until the bargaining settles down and the real issues become apparent. Even at this stage of the negotiations it is not necessarily desirable to bring forth all the data at the same time. Sometimes certain information can be used to best

[14] [illegible] M. Selekman, "When the Union Enters," *Harvard Business Review*, vol. 23, No. 2, Winter, 1945, p. 138.

advantage by being held still further in reserve for possible rebuttal purposes. And occasionally good timing may actually involve never using certain data at all.

There is, unfortunately, no formula that can be cited which will simplify this problem of timing, but the sensitive and alert negotiator will find that, with greater experience, his skill will gradually increase in this respect.

10. *Take Advantage of Intermissions*

The importance of the intermission or recess as a technique of bargaining strategy should not be overlooked by the conferees. After a prolonged, heated discussion of a disputed issue, a short intermission will sometimes provide an ideal cooling off period. In addition, such recesses provide time in which to decide whether or not to accept certain proposals or to formulate counter-proposals.

Often, when one side has made a proposal or has offered a "package" involving several proposals, the spokesman for the party that has made the offer will at the same time suggest that he and his committee take a recess so that the opposition can discuss the matter freely among themselves. This forthright use of the intermission as an integral part of the bargaining process is one of the most constructive ways in which it may be used. It is especially helpful where there is reason to believe that certain of the opposing committee members are favorably impressed. If this is actually the case, those committee members who are "sold" will probably be better qualified than anyone else to win over their own hold-outs.

11. *Make Use of "Package" Counterproposals*

Most negotiators withhold their agreement to certain clauses during the negotiations, saving them for their final bargaining value. Thus, as the bargaining nears its conclusion there will be a number of issues upon which the parties cannot agree. However, among these there probably are, or should be, some that both the company and the union would be willing to agree to and others that have been demanded by both sides that each would be willing to drop. The successful negotiator knows when and how to make a "package" offer designed to settle as many issues as possible. Usually this is one of the most effective means of cleaning up a series of disputed points that the parties have at their command. However, as has already been suggested, the "package" will be most effective in the latter stages of the negotiations and ordinarily should not be used as a substitute for settling issues wherever possible on their own merits.

12. *Introduction of New Issues*

The injection of one or more new issues into the negotiations after the original demands have been wholly or largely settled is a union bargaining technique that appears to have been gaining in popularity in recent years. When first encountered, it is confusing and upsetting to many managements.

Apparently there is little that can be done to prevent a union from introducing new issues if it sees fit, and management must therefore develop whatever methods it can to cope with the problem. One possibility is to insist on getting the union's spokesman on record, at the time the original proposal is presented, to the effect

that it contains *all* of the union's demands. While, as has been pointed out, this will not necessarily prevent the injection of new issues, it may make it psychologically more difficult for the union to use the device.

Another possible method of combatting the union's use of this tactic is for management to counter each new demand with one of its own. Although this may, at first glance, appear to be an effective procedure, a word of warning is in order. It is far easier for any union to think of innumerable items that it would like to obtain than it is for management to do so. Accordingly, management is almost certain to be on the losing side if it encourages the developent of a situation in which each party is making demands as reprisal measures against the other.

Appeals to Public Opinion

Currently there appears to be a definite trend on the part of both management and labor to strive to influence the attitude of the general public as a technique of collective bargaining strategy. Strong appeals to public opinion are increasingly common, the prime object of these being to demonstrate that the opposing party is unfair and unreasonable in its position.

The United Mine Workers and the mine owners are a good example of an instance in which both parties have for some time apparently conducted at least part of their negotiations in the newspapers. As of more recent date, other unions, notably the United Automobile Workers of America (CIO) have also used the same method. Paid advertising space in newspapers or magazines is also used, often to precede or supplement the news stories. Occasionally, too, other devices are used, as, for example, the union which directed its appeal to the President of the United States. Of course, union and labor papers have for years printed labor's case for their readers.

Recently, too, appeals to government agencies for intervention in negotiations have occurred quite often. Usually such requests are directed to State Mediation Boards or to the Federal Mediation and Conciliation Service, although in at least one case the president of the C. I. O. asked the Secretary of Labor to intervene and to request the United States Steel Corporation to continue negotiations in the presence of a conciliator. To illustrate the extent to which government has recently intervened in collective bargaining, in this same case some of the negotiations eventually took place in the White House in Washington, and at one point the President of the United States himself assumed the role of mediator.

Resolving the Final Issues

Both negotiating groups have a definite obligation to continue to bargain in good faith so long as there is the slightest possibility of resolving the final issues. In fact, this is basically the most fruitful and constructive means of resolving their disputes that the parties have at their disposal. "In every instance where a stalemate looms, it is the responsibility of both management and the union to explore the problem in point, discuss it constructively and from all angles,

and keep the door open for suggested solutions."[15] Here is where the highest skills of the negotiators are required, and here is where the final offers and compromises are made.

However, the National Labor Relations Board has declared, "It is hardly necessary to state that from the duty of the employer to bargain collectively with his employees there does not flow any duty on the part of the employer to accede to demands of the employees. However, before the obligation to bargain collectively is fulfilled, a forthright, candid effort must be made by the employer to reach a settlement of the dispute with his employees. Every avenue and possibility of negotiation must be exhausted before it should be admitted that an irreconciliable difference creating an impasse has been reached. Of course, no general rule as to the process of collective bargaining can be made to apply to all cases. The process required varies with the circumstances in each case. But the effort at collective bargaining must be real and not merely apparent."[16]

There inevitably comes a time in the experience of every negotiator when he finds himself clearly deadlocked with the other side over one or more major issues. In this connection the Board has also said, "If after a genuine attempt to reach agreement, an impasse has been reached, the employer is not required to continue futile negotiations. Should the situation change, however, the employer must on request resume collective bargaining."[17] If negotiations have reached an impasse eventually the issue or issues will be settled through the use of one or more of the following methods:

1. By continued negotiations between the parties in the presence of, or with the assistance of a mediator or conciliator.
2. By submission of the disputed issues to voluntary arbitration.
3. By the use of strike or lockout.

Conciliation

Often, when the negotiators have reached what appears to be an insurmountable impasse they will resort to conciliation or mediation. However, in many instances bargaining deadlocks are not actually deadlocks at all. It is not uncommon for negotiators to "sit tight", either to play safe because they are not sure how little the other side will accept, or to save face because they had previously insisted that they would not give in. A conciliator who is respected by the parties and has secured their confidence can often, in talking to each side privately, determine the real reasons for their stand, why they feel as they do and what compromises or substitute proposals, if any, they would be willing to offer or accept. If the parties are not too far apart the conciliator can sometimes find the key to agreement and thus resolve the issues. However, the conciliator or mediator cannot force the

[15] "Collective Bargaining", The National Association of Manufacturers, p. 17, New York, July, 1943.

[16] The Sands Manufacturing Company and Mechanics Educational Society of America, 1 N.L.R.B. 546.

[17] "Seventh Annual Report of the National Labor Relations Board", p. 49, Government Printing Office, Washington, D. C., 1943.

parties to agree. "Since the conciliator has no legal powers of compulsion his effectiveness is dependent entirely upon the prestige of his office, the assistance he can render by reason of his knowledge of the facts involved, his skill as a negotiator, and the willingness of the parties to compromise or come to terms."[18]

Increasingly the assistance of the Federal or State conciliation services are utilized for this purpose; although, in some cases, a local or national public figure, known and respected by the parties, will be called upon or will volunteer his services. During World War II the Federal Conciliation Service was the avenue by means of which dispute cases were channelled to the National War Labor Board. As a result, many firms and union locals experienced their first contact with this agency. Some of those so affected were impressed by their experience and derived a better appreciation of the full meaning of collective bargaining from it. However, it is unfortunate that in many other cases the parties, in their eagerness to get the case before the jurisdiction of the National War Labor Board tended to regard conciliation merely as a necessary evil, and gave it scant opportunity to be effective.

The facilities of the Federal and State conciliation services will undoubtedly be used more extensively in the future than they have in the past. As our industrial relations practices mature, as their respective social responsibilities become more clearly recognized by the parties, and as the conciliation services themselves are strengthened by the addition of more capable, experienced and impartial personnel (and are freed of political influences), a wider acceptance of the principle and practice of conciliation is almost certain to be forthcoming.

With the passage of the Labor-Management Relations Act an independent agency called the Federal Mediation and Conciliation Service was created. All of the former conciliation and mediation activities of the Department of Labor and the personnel and records were transferred to this new agency.

The new agency "may proffer its services in any labor dispute in any industry affecting commerce, either upon its own motion or upon the request of one or more of the parties to the dispute, whenever in its judgment such dispute threatens to cause a substantial interruption of commerce."[19] It should however be pointed out that neither party to such a dispute has to accept any of the advice or proposals of any conciliator who may be assigned to the case. In the language of the Act, "The failure or refusal of either party to agree to any procedure suggested by the Director shall not be deemed a violation of any duty or obligation imposed by this Act".

In addition to the foregoing voluntary procedure applicable to most labor disputes, the Act provides other means for handling "a threatened or actual strike or lockout affecting an entire industry or a substantial part thereof . . ." which "will if permitted to occur or to continue, imperil the national health or safety." In such cases the President of the United States may appoint a board to inquire

[18] Union Agreement Provisions, Bulletin No. 686, p. 13, Bureau of Labor Statistics, United States Department of Labor, Washington, D. C., 1942.

[19] Section 203 (b) Labor-Management Relations Act.

into the dispute and ascertain the facts. The board's written report is then made public by the President. The President can then direct the Attorney General to seek an injunction against such strike or lockout. The Norris-LaGuardia Act is waived to permit the granting of an injunction under these circumstances. At the end of sixty days the board of inquiry makes a final report to the President and within fifteen days the National Labor Relations Board conducts a secret election among the employees in the bargaining unit to determine whether or not they are willing to accept the employer's last offer. Within the next five days the results of the election are certified to the Attorney General who then must ask for a dissolution of the injunction. If the dispute is not settled at this point the President shall submit to Congress a full and comprehensive report of the proceedings "together with such recommendations as he may see fit to make for consideration and appropriate action".

The average employer will never encounter this procedure. In effect it is a forced mediation plan coupled with a "cooling-off" period in an effort both to prevent and to resolve labor disputes that are of major import in our economy such as the recent coal and railroad work stoppages.[20]

Voluntary Arbitration

If the efforts of the conciliator fail or if the positions of the parties on the disputed issues are so far apart that the negotiators feel that resort to conciliation would be of no avail, they may agree to arbitrate their differences.

Although voluntary arbitration, like conciliation, is being increasingly used as a device to settle collective bargaining disputes, it should be recognized that the arbitration of the meaning of the clauses of an existing contract is an entirely different matter than the arbitration of unresolved issues resulting from the efforts of the parties to negotiate a contract. In the first instance, the scope of the arbitrator's decision is restricted by the content and phraseology of the contract as originally agreed upon by the parties. Thus the arbitrator's role is merely that of an interpreter of the agreement. In the latter case, however, the arbitrator is far more than an interpreter. He is, as a matter of fact, vested with practically all of the collective bargaining prerogatives of both parties, insofar as the issues that have been referred to him are concerned. In view of this, it is not surprising that most managements and many unions are definitely opposed to the arbitration of issues that are unresolved in contractual negotiations.

The reasons for the opposition to placing such great power in the hands of a third party are not difficult to understand. Since the parties have been unable to agree on the residual issues throughout the course of their negotiations, it is certainly reasonable to assume that they regard them as being of considerable importance. This being so, one or both of the parties will usually object to the arbitration of such issues for fear that the arbitrator might turn out to be uninformed as to

[20] See: Sections 201 through 209, Labor-Management Relations Act.

industrial problems generally or as to the numerous phases of the disputed issues in the case at hand. They also recognize the possibility that he might be unduly susceptible to purely emotional appeals, or that he might attempt to placate both sides and simply "split the middle" in his award. One experienced arbitrator who has served on over 300 cases observes, "Never forget too, that experience has shown arbitrators to be human. They frequently exercise their constitutional right to be wrong. They are inclined, sometimes, to take the easiest way out by simply dividing their decisions, one for the union and then one for the employer."[21]

Strikes and Lockouts

In the final analysis, if the parties refuse to make the concessions or compromises that will enable them to settle the issues, the outcome will in all probability be the use of economic sanctions—the strike in the case of labor and the lockout in the case of management. However, it should be pointed out that in these circumstances the employer is not absolved from his responsibility to negotiate with the representative of his employees. On this point the N. L. R. B. has stated: "The act requires the employer to bargain collectively with its employees. Employees do not cease to be such because they have struck. Collective bargaining is an instrument of industrial peace. The need for its use is as imperative during a strike as before a strike. By means of it, a settlement of the strike may be secured."[22]

Before actually taking any overt action the negotiators will often resort to direct or indirect threats of what they will do in an effort to gain their ends. The company may claim, for example, that it will be forced into bankruptcy if it accedes to the union's demands, or that it will either voluntarily go out of business or move the plant elsewhere if further efforts are made to force it to give in. Commenting in this regard the N. L. R. B. has observed, "Thus a common theme is the threat to move the plant or to go out of business altogether. . . . Such a threat may be peculiarly effective in highly mobile industries in which the movement by employers to unorganized and low-wage areas is notorious, as, for example, the clothing industry, or the shoe industry."[23] The union, on the other hand, might threaten a strike either by conducting a vote among the membership or by empowering the negotiating committee to call a strike at its discretion. Recognizing the fact that some industries are highly seasonal and consequently quite vulnerable during their busy periods, many unions have the practice of capitalizing on this condition by timing their bargaining negotiations to coincide with the rush season. This, of course, makes the threat of economic sanctions much more effective. As an example, department stores reach their peak between Thanksgiving and Christmas and canning plants are busy when crops are being harvested and are often idle at other periods of the year. In such cases an alert union could obviously make capital of the employer's position if it so desired and timed its actions or threats properly.

[21] Robert M. C. Littler, Managers Must Manage, *Harvard Business Review*, vol. 24, No. 3, p. 373, Spring Number, 1946.

[22] See: Matter of Columbian Enameling and Stamping Co., 1 N.L.R.B. 181.

[23] "First Annual Report of the National Labor Relations Board", p. 73.

Although lockouts, as such, are currently not often used as a negotiating weapon by management, it is true that many concerns have moved[24] or closed plants to escape an aggressive, truculent labor organization or to give vent to their aversion to recognizing and bargaining collectively with unions. Selekman cites the case of one concern which "had for some years been 'running away' from the union. From its original home city in a Middle Atlantic State, it has moved southward, then returned again, only to back-track north all the way into New England, where it located first in a large metropolitan center and ultimately in a smaller industrial community."[25] Obviously, however, managements are not always motivated by the desire to run out on unions when they close down or change the location of plants.

Unions make use of the strike as a negotiating instrument much more frequently than managements use the lockout. This is understandable in view of the fact that the strike (or sometimes even its latent threat) is the more powerful weapon. There is no doubt that, for every company that is willing and able to instigate the financial loss involved in a lockout, there are many which are anxious *not* to suffer such loss. These latter firms are generally also desirous of avoiding the costly consequences of a strike. Because of this very basic economic consideration, labor has in many instances found that strikes, or sometimes merely the serious threat of strike, have proved to be highly effective in gaining the concessions that have been demanded. In this connection, too, the fact must be kept in mind that, although there are laws which force an employer to bargain with his employees under specified circumstances, there are no laws that require him to accede to the demands that are made upon him. Thus, if labor did not have (and use) the right to strike it is apparent that few collective bargaining agreements would be consummated to the satisfaction of both of the parties involved.

Like any other tool of collective bargaining, strikes must be used with intelligence and discrimination if effective results are to be achieved for the union. Where the outcome of a strike is unsatisfactory the cause may usually be found in failure to take account of some important factor that should have been considered at the outset. A strike may be called at a time when management, for various economic reasons, such as the season of the year or extent of finished goods inventories, may not be too seriously affected. In some instances failure properly to estimate the financial reserves of the workers and the union in advance may lead to unsuccessful strike results. A weak union treasury usually means that adequate strike benefits cannot be paid and, if this condition exists at a time when the workers' personal savings are also scant, family, social and economic pressure in favor of a back-to-work movement may become too strong to be ignored or controlled.

If the issue or issues over which a strike is called are not sufficiently important in the eyes of a substantial group of employees, they may refuse to lend their wholehearted support. Although this may not prevent the calling of the strike, such a

[24] Obviously, this applies mainly to concerns engaged in certain types of light manufacture, which require a low capital investment. Such firms are in a position to move their locations readily whereas most others are not.

[25] Benjamin M. Selekman, Wanted: Mature Managers, *Harvard Business Review*, vol. 24, No. 2, p. 239, Winter Number, 1946.

dissident group, tiring of enforced idleness, may in time be able to win over enough converts to their way of thinking to get the strike terminated before it has accomplished its purpose. To avoid this risk the union's leaders must evaluate the issues carefully and plan their campaign of action in a way that will create not only a *logical* but also a widespread and strong *emotional* conviction of the rightness of their demands.

Management's probable reactions must also be considered in view of the unresolved issues since its desire to resist will usually be proportionate to the severity of the demands. This is most commonly seen in the case of wage issues where a firm may weigh its anticipated strike losses, such as cessation of income and continuing overhead expenses, against the long-term cost of a requested rate increase. For example, a company facing a 20 cent an hour wage increase request would almost certainly feel that it could afford to hold out longer in an attempt to get the union to drop or reduce its demand than would be the case were only 5 cents an hour at stake.

In addition to the foregoing considerations, a union that is contemplating strike action has many even more imponderable factors with which to cope. Outstanding among these are the emotional aspects of each specific situation and the degree of responsibility and control that local union leaders can be expected to exercise. All too often strikes have been started prematurely or in direct violation of existing labor agreements (or even the union's own constitution) because of strong emotional upset on the part of the membership coupled with irresponsibility and lack of control on the part of local union leaders.

Phrasing the Agreement

Although in Sweden legislation provides that all labor contracts shall be prepared in written form when agreement between the parties is reached, there was no such specific legislation in this country prior to the passage of the Labor-Management Relations Act. However, we did have definite forces at work in that direction. The N. L. R. B. had been sustained by the Supreme Court in ruling that refusal to reduce a negotiated labor contract to writing constituted an unfair labor practice.[*] In addition, The Railway Labor Act and Title X of the Merchant Marine Act require employers covered by these laws to file copies of all collective bargaining agreements with the National Mediation Board and the Maritime Labor Board, respectively. Thus, in effect, this forces the parties to prepare their agreements in written form.

Other factors had also accelerated the trend toward written labor contracts in the United States. During World War II the National War Labor Board prepared arbitration clauses in hundreds of dispute cases and directed that they become a part of the labor agreement between the parties. Once the parties incorporated arbitration provisions into their contract, it then became vital for their mutual

[*] N. L. R. B. v. H. J. Heinz Co., 311 U. S. 514

protection that the agreement be reduced to writing. Finally, the recently enacted Labor-Management Relations Act provides for "the execution of a written contract incorporating any agreement reached if requested by either party. . . ."[27]

The proper phrasing of the various clauses in the agreement is obviously very important. There is little excuse for the frequency with which ambiguous clauses still are encountered. Sometimes this is the result of inadvertence or lack of experience on the part of the negotiators and sometimes it is deliberate in a mistaken attempt to "slip something over" on the other party. A contract negotiated in this latter fashion will be difficult to live with and will inevitably cause hard feelings and disputes.

Labor and management generally agree that the proper objective is to present the clauses in a clear and concise manner so that they will readily be understood by everyone. One union handbook, for example, contains the following recommendation to its negotiators, "Insist that your contract be written in the simplest clearest language possible."[28] Likewise the National Association of Manufacturers states in a booklet prepared for its members, "All clauses should be clearly understood by both parties and the language should express that understanding clearly and without ambiguity, so that the contract may be carried out in a spirit of good will."[29]

In phrasing any specific clause of an agreement, the final work choice is just as much a matter of collective bargaining as is the negotiation of the basic intent and meaning of the clause. As has been previously pointed out, elegance of expression must necessarily be subordinated to simplicity and clearness. Unfortunately, this fact is all too often overlooked by negotiators who suffer from pride of authorship to such an extent that proposed changes in wording will cause long and bitter argument. Although it is obvious that a firm stand is required in opposing the deliberate or inadvertent introduction of "sleepers" or trick phrases that alter the agreed-upon meaning of a clause, this is probably the only circumstance that fully justifies being overly devoted to one's own wording.

Perhaps a good test of the clarity of any clause might be to ask, "Is this clause not only clear enough to be understood, but is it so clear that it *cannot be misunderstood* by an employee or a third party who knows little of the background?"[30] Unless this question can be answered affirmatively, the parties would be well advised to re-write the clause to minimize subsequent misunderstandings and avoid the necessity of resorting to arbitration in order to resolve ambiguities.

Negotiating Subsequent Agreements

Normally the first agreement is the most difficult to negotiate. This is so because every issue must be discussed extensively and the necessary clauses written

[27] See: Section 8 (d), Labor-Management Relations Act of 1947.

[28] U.A.W.-C.I.O., "How to Win for the Union", Third Edition, Detroit, Michigan, October 1, 1941.

[29] The National Association of Manufacturers, "Collective Bargaining", p. 18, New York, July, 1943.

[30] Malcolm W. Welty (editor), "Labor Contract Clauses", p. xiv, Automotive and Aviation Parts Manufacturers, Inc., Detroit, Michigan, 1945.

and rewritten until both parties are willing to accept them. In addition, progress is often slow because of the tendency of the parties to withhold agreement on more strategic issues in an effort to attain final bargaining advantage.

In negotiating subsequent agreements, on the other hand, it will usually be found that many clauses in the initial contract are satisfactory as originally worded. As a result, the area of disagreement is narrowed from the start. Another factor which tends to expedite and facilitate succeeding negotiations is that the members of the opposing committees usually have had time to get better acquainted and more accustomed to working with one another.

However, it is not always true that succeeding contracts are easier to negotiate. In some cases, one of the parties may have gained an unreasonable advantage as the result of the other's lack of experience or weak bargaining position. Under these circumstances the negotiation of a second agreement may well be prolonged and bitter, culminating in strike action. The same result may also be forthcoming in any negotiations if exorbitant demands are introduced and persistently adhered to.

The successful completion of succeeding labor contracts involves the same fundamental problems as does the initial agreement. The volume of work entailed in preparation will probably be somewhat smaller, but the same procedures should be followed. Neither party can afford to ignore or discount the necessity of compiling adequate data prior to starting negotiations, particularly with respect to possible wage issues. In the case of management, especially, it is dangerous to become complacent about preparing adequately for subsequent negotiations. Insofar as the strategy and techniques of bargaining are concerned, it goes without saying that these are essential to any negotiating situation irrespective of whether a first or a tenth contract is involved.

As a phase of its preparation for the negotiation of succeeding agreements, management can, as previously discussed, strengthen its liaison with its supervisors and acquire information of positive value regarding various undesirable aspects of the old agreement. This point has been aptly stated by Curtiss as follows: "You have had experience with the agreement that is terminating. You will want to amend the provisions that have not worked out well. I would suggest that department heads confer with their foremen two or three months before the termination date, to get their reactions to the various clauses. Then, in conference with the department heads the negotiator can prepare the company's amendments. This method not only gives you the benefit of the experience of your foremen under the contract; it also gives them a feeling that they have participated in drafting it. After all, it is the foremen who must make a contract work."[31]

[31] Alan C. Curtiss, "How to Negotiate a Labor Contract and Make it Work", p. 125, Proceedings of the 27th Silver Bay Industrial Conference, The National Council of the Young Men's Christian Associations, New York, 1944.

The Editor Chats With His Readers

Bouquets come nearly every day expressing the enthusiasms of our readers with the revitalized Personnel Journal. Dick Smyth, whose story—with Matt Murphy—"Industry-Wide Bargaining" appeared in the September issue writes, "I have just finished reading the last issue of Personnel Journal and must congratulate you. You are turning one of the deadest periodicals in the field into one of the best." Praise from Dick Smyth is praise indeed; he knows what good writing is. Have you read his and Matt's two-part article which is concluded in this issue, "Negotiating The Collective Bargaining Agreement"? It contains the fruits of the successful experience of two able industrial relations men.

An attractive little folder has come to hand from the College of the City of New York, bearing the title "A Program for Personnel Development At Your Plant". It is an outline of a basic five-hour conference training course for foremen and supervisors which the College will conduct in plants within a reasonable distance of New York. Another leaflet describes a five one-hour conference series for foremen on "Industrial Accident Control". This is also given at the plant.

OLD AGE, OR SOMETHING TO THINK ABOUT

By Frank Rising

I had lunch at The Club the other day, and as usual was somewhat impressed to find myself in the same room with so many of the town's most important industrialists, bankers, lawyers, and "leading citizens". I get quite a boost out of belonging to The Club, and of being able to walk in the door just anytime without being challenged.

I don't feel quite old enough to belong to The Club. But there are some members who are even younger than I, so I guess it's all right. On this particular day I was having lunch with another fellow who is about my own age; matter of fact, I'm a couple of years older than he is.

This fellow is a grandfather, whereas my own oldest child is only in her teens. But he is very unsuccessful at looking like a grandfather, what with having all of his hair and not even any gray in it, so you might say he is on my own level. If anything, I'm ahead of him because I am getting quite bald and my face looks older than his. I suppose I could pass for almost fifty, if I concentrated on it. The truth is that I'm only 45 and consequently of rather small weight.

I remember when I was younger that there was a good deal of excitement about men who were "past forty" and very sad about it. There were a number of "40-plus Clubs" which seemed to have quite a problem in finding jobs for the old-timers. Thank goodness that's all over, now.

We had lunch, and while eating dessert we got to talking about the problem of being old enough to amount to something. Just as a sort of two-handed game we gave the room a thorough casing and ran up a rough tabulation of the ages of those

present. In some cases we missed by a couple of years or so, of course, but we knew pretty well who was there, what their jobs were and what their ages were.

Well, it would give you something to think about. There were about a hundred men in the room and something like half of them were crowding sixty, or already past it. About one-fourth were in the 50–55 range and the rest were just youngsters like us, or maybe two or three years older. Over in the corner was one man, obviously out of place and eating by himself, who couldn't have been more than 37 or 38. Might have been somebody's son, I don't know.

We got into quite a discussion. Both of us have been around a lot and we knew that this wasn't peculiar to our town. We have had a habit in the past few years of trying to guess what the future would be like and we had to admit that what actually happened had made monkeys out of us.

This is what we thought: we thought that after the war there would be a lot of retirements of men who were, say, 65 or 70, and that there also would be a lot of changes in personnel. Maybe there were going to be a few cases like that but on the whole it won't work out that way. We tried to figure out the reasons and came up with this:

First, it is obvious that men don't get old as fast as they once did. Why, I remember when my grandfather was a bent, infirm figure and he was nowhere near as old as some of these captains of industry are today. Even if the insurance tables didn't prove it, it is certainly plain to see that these 60-plussers don't intend to give up easily.

Second, it looks to me and the other fellow like the "second man" in a good many businesses—the man who finally will succeed the boss, that is—is right now in his fifties. That makes us youngsters the "assistants".

We managed to figure out a new angle to worry about: If the boss is 65, let's say, and is going to retire within the next five years and pass the job along to the second man, who is now 52, then the second man will be good for somewhere around 15 years after that. Maybe more, what with the increase in the life-expectancy levels. Let's say that he is top man for 15 years.

Well, by that time we will be around 60. Now, we've noticed that when they reach for a right-hand man to promote to a big spot they don't reach for one quite that old—not ordinarily. So just where that leaves us we don't quite know. We are too young to be really important right now and we will be too old to carry the load—the big load, that is—when that fellow who is now in his early fifties gets to be 65-plus.

It certainly is a strange world, at that.

Frank certainly had the blues when he wrote that! Frank; the problem you are stewing about is one, as you know, that has long bothered management. The standard remedy is a pension plan with compulsory retirement at age 65, so that the younger men coming up the ladder will have a chance to get to the top before they are too old. Few men at high levels in business retain their zip much past 65 but

there is always a human tendency to cling to power and good income. While a prime purpose of pension plans is to provide for old age, an equally important reason is to make way for youthful energy, so that the channels of promotion are not blocked by the old fellows hanging on to the top jobs indefinitely—"or until death do us part"! So, Frank, tell your ambitious young friends of 45 and less to get themselves jobs with companies that have modern pension plans! There are plenty of such companies.

THE PITTSBURGH LABOR-MANAGEMENT COMMITTEE

Pittsburgh has taken an important forward step in labor-management relations through the formation of the Pittsburgh Labor-Management Committee and the adoption of ten principles of industrial peace. As Mr. H. P. Wharton, of the Pittsburgh Central Labor Union, A.F.L. says, "The adoption of the ten principles is a recognition by Labor and Management that they have a responsibility for the settlement of their differences. The opportunity to bring into the open the differences in a dispute is of importance to each side. Much of the ill feeling directed at both Labor and Management by the public is due to the policy pursued by both where the real issues are not brought out in the open. The desire of the committee is to make the Pittsburgh District a community in which Industry can prosper, a community where the rights of Labor and Management alike are recognized, a community where industrial strife is reduced to a minimum. That is our hope."

The Labor-Management Committee has been the outgrowth of a campaign by the Pittsburgh Chamber of Commerce to bring new light industries to the city and of its study of the conditions that might interfere with that campaign. The Committee is composed of three groups, four representatives of the C.I.O., four of the A.F.L., and eight industrialists from the Chamber of Commerce membership. Here are the ten principles forming the background for the work of the Committee:

1. Workers are free to form and join labor organizations without interference or coercion from any source.
2. Workers are free to bargain collectively with their employer through bargaining representatives of their own choice, who will be dealt with in good faith by management.
3. Employers, workers and their representatives recognize that the right of collective bargaining imposes the obligation to bargain in good faith.
4. Employers, workers, and their representatives recognize that an obligation assumed is an obligation to be fulfilled.
5. Collective bargaining on wages, hours, and working conditions as an instrument of industrial peace is a process by which an employer and the freely chosen representatives of his workers negotiate in the interest of effecting a transaction mutually advantageous to the employer, employees, and customers served by the enterprise of which they are a part. They recognize a mutuality of interest in the success of the enterprise. Successful collective bargaining proceeds with full realization and appreciation of this fact.

6. It is realized that increasing shares of wealth are dependent primarily on an increasing total of such wealth and that improving productive efficiency and technological advancement contribute to an expanded product and workers are entitled to share in the increased wealth produced.
7. Experience has proven that free men in a free society, sparked by a system of free competitive enterprise, have advanced living standards beyond the levels of any other nation, under any other system, in any time in the history of the world.
8. The right and responsibility of management to direct the working forces subject to the terms of the collective bargaining agreement and to manage the operations of an enterprise are essential to good management.
9. We recognize that industrial peace is of the utmost importance and that management and labor have certain inalienable rights. We further believe that jurisdictional or inter-union conflicts are to be deplored and that every effort will be made to eliminate or minimize such conflicts.
10. Collective bargaining thrives best in an atmosphere in which those on each side of the bargaining table have confidence in the integrity and honest purpose of each other. Barriers to successful collective bargaining fall when mutual recognition of responsibilities and equality of rights is present.

Situations Wanted

Help Wanted

Advertisements will be accepted under these headings at 50 cents a line for one insertion. Average 97 characters per line. [illegible] for three insertions or more

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, Edward N. Hay. Secretary, D. D. Hay

Volume 26 *Number 6*

Contents for December 1947

Edward N. Hay, *Editor*

D. M. Drain, *Circulation Manager*

The Basic Human Needs

For ages men have speculated and written on the needs of man. There have been as many lists as there have been authors. A sense of dignity; food and shelter, love of fellowman; a chance for promotion; a steady job; and hundreds more. Psychologists and sociologists have speculated, too. Using the scientific method, they have tried to determine which needs are basic; which ones comprehend *all* needs. They have sought the most "parsimonious" list of these needs, using that word in the sense that "no more causes should be assumed than are necessary to account for the facts". What, then, is the briefest list that will account for all the basic needs of man? A. H. Maslow, one of the younger among the creative psychologists, gives an exceptionally economical list of these needs:

1. *The physiological needs*; the entire set of bodily needs, such as hunger.
2. *The need for safety*. Now that there is no longer any danger from Indians we are concerned for such things as a steady job, a savings account, insurance of different kinds, security against arbitrary discharge, and so on.
3. *The need for love*. One of the strongest of the needs is that for love; of one's family and friends and for a place in one's group. It includes the need to give as well as to receive love.
4. *The esteem needs*. For everyone there is the need for a high evaluation of himself; but it must be based on reality. One aspect is the need for strength, achievment and confidence. The other is the desire for reputation and prestige.
5. *The need for self-actualization*. This is the desire to become more and more what one already is. A musician must make music, an author must write, a toolmaker must make fine tools. It is the desire for self-fulfillment.

It was unusually interesting to find a list of these human needs which originated in a series of surveys of employee opinion in various manufacturing plants. Here is the list as it was given recently by Elmo Roper at the annual Industrial Relations Conference at Princeton:

1. Security
2. Opportunity; for oneself or one's children.
3. The desire to be treated as a human being.
4. The need to do something which society needs.

With the exception of the physiological needs these two lists are essentially the same. Mr. Roper said that the list covers the things that industrial employees most often give as their primary needs, when answering opinion or morale survey questionnaires.

Personnel Department Costs

Last month Sam Burk contributed a Guest Editorial on the need for foresight in justifying the cost of the personnel function—lest radical and perhaps unwarranted cuts be made in a period of retrenchment. Subsequently an article was received which gave a tabulation of personnel department costs in Indianapolis plants, which will appear in the next issue of Personnel Journal. Now comes the *Industrial Relations Letter* issued from San Francisco telling of the splendid conference held there on October 21 and 22 by the California Personnel Management Association which gave considerable attention to personnel costs. It warns the personnel and industrial relations men that they will not escape the rising trend of costs that is plaguing everyone else, when they are already battling a heavy load with a too-thin budget. This will not, however, save them from having to justify the cost of everything they do.

Personnel Psychology

The early volumes of Personnel Journal show that it was founded as an organ of research in the personnel field. In that respect it was ahead of the times, for not only was there little research in personnel—there was very little personnel work of any kind being done. There was an Editorial Board at that time and not an industrialist in the lot. The editors were academic men and very good editors they were as an examination of the Journal will show. In the middle of Volume II in 1923 a new Editor was appointed, Dr. Walter V. Bingham who continued in office until 1935. During his term the Journal published a great many fine articles, most of them dealing with research projects in the field of personnel. His contribution to research in personnel is unequaled. After 1935 the Journal slowly turned to the practical side of personnel and began taking more interest in formal labor relations. Today it is written entirely for the practical personnel and industrial relations worker. This has left personnel research without any organ of expression of its own. Now that void will be filled. Beginning with its first issue in January 1948, *Personnel Psychology* will be published quarterly for the purpose of circulating papers on research in the personnel field. It will publish articles that will not only report the results of scientific research in personnel but will do so in a style that can be read with profit by anyone. Readability will thus be added to scientific importance. The Board of Editors will be composed of academic and practical people and Dr. Bingham will be found as an advisor on editorial policy. The Editor will be Frederic Kuder, Professor of Psychology at Duke University and Editor of "Educational and Psychological Measurements". We salute *Personnel Psychology*; may it grow great.

Conference Calendar

December

2–3 New York, Hotel New Yorker.
Society for the Advancement of Management. Annual Conference. C. S. Coler, 84 William St., New York.

15–16 New York, Hotel Pennsylvania.
American Management Association. Production Conference. James O. Rice, 330 West 42nd St., New York 18.

January

15–16 New York, The Biltmore.
American Management Association. Finance Conference.

22 New York, The Waldorf-Astoria.
National Industrial Conference Board.

February

4–5 Philadelphia, Warwick Hotel.
Chamber of Commerce, Industrial Relations Conference. H. L. Tolan, 17th & Sansom St., Philadelphia 2.

16–18 Chicago, Palmer House.
American Management Association, Personnel Conference. James O. Rice, 330 West 42nd St., New York 18.

1–3 Dallas, Texas.
National Office Management Association, Regional Conference and Exhibit.

Every employee has an interest in the company for which he works. Sometimes he feels that the things he would like to know are not told to him. Here is a description of how one company, a leader in its industry, has designed a program for the purpose of informing its employees about the company.

The Elgin Information Program

By M. J. Hill, Personnel Director, Elgin National Watch Company.

The Elgin National Watch Company has developed a series of monthly conferences called the Elgin Information Program. The purpose is to inform the employees about the company. Mr. T. Albert Potter, President of the Company made this statement at the inception of the program:

"The success of this program will depend largely upon the cooperation of our people and the management to exchange information, and a thirst for knowledge about the business that will prove profitable to us both. I heartily welcome any suggestions and assistance that you can offer to me in the presentation of this material. Let's think of these presentations as our program, to stimulate our business thinking."

At the first meeting Mr. Potter began by saying one of management's greatest difficulties has been to tell the employees about management's problems, and to make employees realize that we are working together as a team to accomplish a result. Very frequently grapevine rumors get started and gain momentum until they multiply like snowballs. "They occasionally reach my office," he said, "and I suppose they are entirely different than they were when they originated." Mr. Potter stated that with this in view, we are trying to create a plan that will be of mutual benefit. The success of this plan depends upon the help we get from one another in exchanging our problems and attempting to arrive at mutually beneficial solutions. He referred to this program as a trial balloon, feeling our way as we progress. "I sincerely hope we are successful; if we aren't, I don't think we have lost anything in trying to exchange opinions. This plan is an attempt to get our people interested in the plant and the organization, and an understanding of where we are all going because the

success of the company is your success and your success is the company's success. These two realities are inseparable partners," he said, "this is our (employee and management) program; what we should all know about the business."

We have scheduled monthly conferences which we call the Elgin Information Program. A different employee group is requested to attend these conferences to hear and exchange information with management about the company and the industry. Speakers are questioned in detail with no holds barred, and after each session the minutes are printed in a brochure. This is mailed to all Elgin employees on the payroll and the Board of Directors. The program is organized as follows:

The conferences are set up for the particular subject to be discussed. The first—which has been termed an "Advisory" meeting—consists of five members from the foremen group, four employees from the Jobmasters' Association, seven officers of the Elgin National Watch Workers' Union Executive Board, four members from the International Association of Machinists' Shop Committee, District 108, and four employees representing the office supervisory personnel.

After a speaker has been designated to talk to a monthly meeting, the function of this committee is to advise him on what the employees would like to know within the scope of his subject and where emphasis should be placed for the participants of the second conference. Basically, this committee acts as liaison between employees and management by recommending to management exactly what the employee wants to know.

In practice, this first advisory meeting becomes a sort of dress rehersal in which the speaker presents his entire talk for the benefit of the advisory group. They recommend, ask questions, or request additional information in which their fellow employees are interested. Members of the advisory group are urged to discuss the assigned topic with their fellow employees before attending the meeting.

The second conference, which lasts about an hour and one-half, is attended by employee personnel selected in the following manner: Elgin National Watch Workers' Union, 17; International Association of Machinists, 3; members with no labor agreements or affiliations, 5. These latter employees are appointed by me with supervisory assistance. The members of the two unions are chosen by their shop stewards.

The minutes of the second conference are taken by five volunteers from the group. After the meeting, these volunteers meet with me to compare notes and prepare the final draft for their fellow employees. This draft is mailed to their homes, bearing the names of all employees in attendance as meeting with their approval.

The employees welcome the opportunity of becoming acquainted with their company and look forward to these meetings. First, they are held on company time and usually in the forenoon when all of us are at our best. Then, nothing is withheld from them. On occasion, questions are asked requiring disclosure of highly confidential information. They are answered in the meeting but deleted

from the written transcript. Our employees understand that this is necessary in such a highly competitive industry as the watch business.

Field trips are also considered a part of the program. In connection with the sales aspects of the company, for example, Howard D. Schaeffer, Vice-president in charge of sales, accompanied a group of employees on a visit to some of Chicago's finest jewelers, enabling the employees to make inquiries about the consumers' attitude toward Elgin products, and observe retail business operations. Other groups have been escorted through parts of the plant completely foreign to them so that they can become acquainted with the functions of other departments.

As each new employee joins the Elgin National Watch Company, he is given a portfolio containing copies of the previous talks; within a short time, the series of talks will provide a complete picture of the company. Topics include, for example, "The Last 15 Years at Elgin," T. Albert Potter, President; "The American Watch Retail Market and the Function of the Company's Sales Organization," Howard D. Schaeffer, vice-president in charge of sales: "Elgin DuraPower Mainspring," George G. Ensign, director of research; "Watch Manufacturing," J. G. Shennan, vice-president in charge of production; and "The Financial Policy of Our Company," J. M. Biggins, secretary.

Approximately thirteen or fourteen of these conferences will be held. Different employees are selected to attend each conference in order that as many employees as possible will have the opportunity to attend. Transcripts of the speech and the question and answer period which follows the talks are sent to employees, pensioners, and Board of Directors. Everyone gets a general education on the various aspects of the business.

People like to know what is going on that affects them. Employees are people and as employees they like to know about the things that affect their employment. Readers who want to review recent articles on the subject of informing employees will find several good ones in recent issues of PERSONNEL JOURNAL. Following is the list:

Issue	*Article*
May	A Letter from the President to All Employees
June	Employee Publications for Interpreting the Personnel Program
September	To the Organization
September	Informing Employees
December	The Elgin Information Program

Much is being said nowadays about making the foreman feel that he is part of management. Here is how one of our well-known industrial companies actually goes about making the foreman a true part of management.

Making and Keeping the Foreman a Part of Management

By T. G. Newton, Director of Training, Armstrong Cork Company.

Only a few months ago certain executives were asserting: "Management must not be unionized. This is the gravest problem facing American industry. It is heresy even to think that the foreman is not in the management group. We must make him feel a part of it." Then we detected a change. The voices were silent. The Labor-Management Act of 1947 had been passed. Supposedly the problem had vanished. Since they no longer had to bargain with supervisory unions, it was not important to make the foreman feel a part of management. These executives do not realize that legislation follows and does not form public opinion. While we do not particularly want to see our foremen become union members, we still see a worthy objective in making them a part of management.

It is only by making the foreman an integral part of management that we can develop the most effective management group. If American industry is to meet its challenges it must have management groups which are capable and which work smoothly together. They must provide the leadership in striving for that goal: better goods at lower prices. The foreman must play a vital part on the management team if we are to develop and utilize the latent talents of the people associated with industry. Just imagine what we could gain in efficiency if we could get more of our people thinking of better ways to do their jobs. Today we are buying too much "physical presence" and not enough "mental presence." We must think more about improving our management-employee relationships. The foreman needs to be an integrated part of management if he is to provide the kind of leadership we need in this "Human Era." He is the only one close enough to employees to exercise it. That is the reason we must make him a part of management.

We must remember that the foreman considers himself to be, or not to be, a part of the management group on the basis of sentiment and not upon fact alone. A

number of apparently little items may be important to him. The program I am about to review with you represents the long-range objective of the Armstrong Cork Company in making its supervisors part of management. It is a result of many discussions of the problem as we see it and is tailored to meet our conditions. This program is not in operation in all of the departments in all of the Company's nineteen plants. Again, it is our over-all objective; we are striving for it throughout the organization according to the priority of need. We have many years of work yet to do to apply it generally and it is an ever-present job to keep it functioning effectively. The program is comprised of eight steps and I will comment briefly on each.

The First Step—A True Management Position

First, we must make sure that the foreman has a real management position. It must be a management position not only in our opinion but in the foreman's opinion, too. Unless he feels he has that kind of position he will not identify himself with the management group. This can be achieved through the use of two tools; the Position Specification and a Degree of Authority Analysis. Through the use of the written Position Specification, it is possible to give the individual a clear conception of his duties. Not until we reduce them to writing will we be in a position to determine if they are of management status. This supposes that certain management functions must be exercised if the position is to be of management status. A check list follows:

1. Does he have the function of developing an effective working group under his direction?
2. Does he have the function to meet established quality standards in the production of products or services?
3. Does he have the function of producing products or services according to established schedules?
4. Does he have the function of the utilization and care of all physical facilities in his area?
5. Does he have the function of producing products or services according to established cost goals?
6. Does he have the function of participating in the formulation of plant, as well as departmental policies?
7. Does he have the function of stewardship of the Company? (Stewardship may be defined as that broad interest a member of management should have in the over-all activities and progress of the Company, and extends beyond the specific responsibilities and authority assigned to the position. It involves the persuasive suggestion of ideas, through regular organization channels, to the member of management having the authority to act. Such ideas include those that will improve the quality of Company products, keep over-all costs to a minimum, safeguard employees, protect Company property, promote sales, maintain sound relationships between all levels of the organization, and foster good Company public relations.)

While considering whether or not the management functions have been included in his Position Specification, it is also well to look on the other side of the fence. Are we expecting the supervisor to handle duties of routine or manual nature similar to those assigned to the persons he supervises? We must try to strip such duties frcm the position. Under no circumstances should we expect a member of management to perform manual work regularly but should limit such activities to training and emergency in the strictest interpretation possible.

It is not enough, however, merely to see that the correct functions are present in order to give the foreman a real management position. We must further inquire into the nature of his authority. *There is a minimum amount of authority that he must have if he is to be included in the management group. He must have a clear conception of his authority.* Authority is not easy to define, and we have found that a Degree of Authority Analysis is very helpful. Through it, the foreman's authorities are defined according to a clear-cut code. Perhaps an explanation of the coding will serve to clarify this subject.

Number 1 Degree of Authority, means that the foreman has full authority to take action on a given responsibility and is not required to report the action taken to anyone.

Number 2 Degree of Authority, means the foreman has full authority to take action, but because the matter is of sufficient importance, he is expected to report the action taken to his superior afterwards.

Number 3 Degree of Authority, means that the foreman's authority is limited. He is expected to present all the facts of the situation, together with his recommendation, to his superior and not take action until a decision has been reached.

The foreman's superior, in a conference with the foreman, gives the latter authority on each of his detailed responsibilities according to this code. A guide can be provided to establish the minimum authorities which can be given to the foreman for certain key responsibilities. In lining up our management authorities, we must be careful to see that no authority rightfully belonging to the line supervisor has been given to a staff department. The staff department must be kept on a service basis and should not be allowed to become an operating unit. This whole procedure entails a certain amount of discussion, which, if well done, will do much to establish a good working relationship between the foreman, his superior, and staff departments.

In creating real management positions, we must try to dispose of in a clear-cut, decisive fashion those jobs or positions which are always on the borderline. We should leave no question as to whether a position is in the management group or in the working force. Furthermore, we must take the most rigid precaution to see that individuals are not transferred back and forth between the working force and the management group as was so blithely done during the depression of the 30's.

I am sure we all realize that it is not enough to set up real management positions on the organization chart. We must have individuals capable of filling them. In

this discussion we are primarily concerned with the group of foremen we already have. We may find some that cannot measure up to this type of position and must be replaced. This means that we must have ready to come into play the best methods of selection available to us. Because of the scope of this subject, I will do no more than say here that we should make specific comparisons of all candidates on the basis of health, education, personal traits, experience, leadership and administrative ability, with a lot of attention to the last. Several people should participate in the selection. We should utilize position specifications, employment records, performance reviews, and any other aids we can find. Test results should not be considered until we know that they are valid in our organization.

The Second Step—Compensation and Merit Policies

The second step of our program is to have adequate compensation and merit appointment policies applicable throughout the organization. I think we will agree that we cannot make a man feel that he is a member of management unless he draws a salary of management stature. All members of management should be on a salary basis and must be able to count on the continuance of that salary with some degree of security. They must realize that the minute work falls off, they will not be transferred back to an hourly status. There are always many projects awaiting study, many training needs which can be taken care of in the dull periods. The investment to provide this security for management personnel will be repaid to us many times over through the development of better management people.

The salary administration plan should provide the determination of base salary ranges on the basis of written Position Specifications and definite position evaluation. Position Specifications must be written and checked by people who are familiar with the position and the others with which comparisons are to be drawn. It is very helpful in the development of Position Specifications to have the individual in the position prepare a draft outlining his conception of the duties. Salary ranges established as a result of position evaluation must be periodically checked in individual cases to make sure tha a proper differential exists between the take-home pay of the foreman and those he supervises. In no case should it be less than twenty per cent over the highest paid individual supervised on the basis of a 40-hour week. We must watch if schedules are lengthened to make sure that the supervisor's salary does not lag. One way of meeting this situation is to provide for extra compensation for regularly scheduled overtime and for shift work.

Salaries need to be reviewed periodically to make sure they adequately compensate foremen on the basis of their contribution to the organization. This review must be originated low enough in the organization so that individuals fully familiar with the foreman's performance can make recommendations. Increased salary adjustments should be made prior to wage increases for hourly employees. Merit appointment policies should insure that promotions are made from within wherever possible and that the deserving individual gets recognition.

The Third Step—Individual Recognition

The third step in our program is designed to fill what I like to think of as a vacuum long present in American industry. I refer to the need of recognizing the individual performance of each member of management. Let me ask two questions. Do you know definitely just how your superior decides whether your performance is satisfactory? Does his basis seem to change at times depending upon situations? Unless we have a clear-cut idea of how our performance is to be judged, understood by both our superiors and ourselves, we probably can never have that peace of mind for which we long, nor can we be fully effective. Our friend the foreman is in the same boat. Thus, the third step in our program is to provide some basis of recognizing individual performance.

It is common practice to measure the foreman's performance against cost goals achieved. Even these require some interpretation and cannot be taken at face value. They do, however, serve as a good guide with the right kind of interpretation. But why not add to these items the other factors which are important in a balanced management performance? We can design a performance report incorporating all the factors which provide some guide to the individual's performance. In addition to cost factors, we can add quantity produced, quality achieved, labor turnover rates, absenteeism, grievances, accidents, suggestions received, and other items pertinent to the control of the operation. They will vary according to the position. Most of the information is available somewhere in the organization today. This report should be reviewed with the foreman by his immediate superior regularly, so that both may have a common and current interpretation of the foreman's performance.

In addition to this individual performance report, another procedure called Review of Service can be very helpful. This is not merit rating but rather the superior's opinion of the foreman's performance. It is written on the basis of how well he performs each of the functions and responsibilities listed in his Position Specification. This review covers subjective information, but may include references to the performance report. It is done once a year. The sole purpose is to determine the foreman's strong points and those which can be further strengthened. This review serves as a basis of discussion by the superior with his foreman in order to determine constructive action to be taken. Such action may be the development of an individual training plan, or personal measures the individual may take for self-improvement.

The Fourth Step—Accept the Foreman as Management

The fourth step in our program is to encourage higher levels of the organization to accept the foreman as a member of management. This includes staff as well as line people. It is very difficult to accomplish this result through any formal program. Rather, someone high in authority must set the example through daily conversation, actions and attitudes. It is particularly important that staff departments treat the

foreman as part of management. He should not be told how to run his department but rather given service. He should be given the opportunity to pass on layout changes in his department, to approve actions that will affect his employees, and be given a definite opportunity to participate in policy formation. We must make certain that foremen are not by-passed by other members of management or by the Union and its representatives.

Based on the customs and habits of the organization, we should look at the personal facilities and privileges accorded foremen. Do they have sufficient office facilities? Are their names on the organization chart? Do they receive their pay checks in a manner similar to those in top management? Are they requested to ring time clocks? Do they have reserved parking space? Do they present suggestion awards to their employees? Do they have the same vacation and sick-leave privileges as other members of management? We need to review such questions as these and try to eliminate those which, in the foreman's opinion, tell the world that he is different from those who are recognized as members of the management group.

The Fifth Step—Training for Individual Needs

The fifth step in our over-all program is to provide training to meet the individual needs of management members. Our object should be to develop broad individuals so they may eventually reach their true levels in the organization. Training programs should be based on a determination of needs instead of being started to keep up with "The Jones'."

It is time we started to question training methods. Too often in management training, it has been the practice to launch a conference program. No analysis has been made to determine if it is the best method to be used in the particular situation. Supervisors have resented being requested to appear at the conference room on certain days for a course which, in their opinion, they did not need. It is time we began to think of training as an individual matter and not as a group or classroom affair. There is room for group training when the needs of the individuals included clearly justify it. When we regard group training as a method and not training itself, we will do better training. Let's not forget training plans developed for the individual foreman.

Take the shift foreman, for example. On the basis of the manner in which he is performing the responsibili ies listed in his Position Specification, what does he need? Does his review indicate that coaching on cost control, instruction on the maintenance of his equipment, and advice on dealing with the steward will help him? If so, let's plan what information we will give him, how it will be given, who will give it, when and where. For a moment, concentrate on this shift foreman and fill his needs. That's the way you meet a production problem.

Some of the subjects which should probably be included in the content of both individual and group training programs are Company Organization, Company Policies, Interpretation of the Union Contract, Technical Subjects and Leadership and Administrative Techniques.

The foreman should be familiar with the functions of the various departments and know his relationships with them. He must know organization procedures, be able to interpret Company policies and the union contract, and be skilled in the use of the management techniques applicable to his position. We should follow the principle that training is a function of line management, whereas the Training Department helps the line in identifying training needs, in developing programs, and in otherwise assisting it in carrying out its training responsibilities.

The Sixth Step—Three-Way Information

Our sixth step in making the foreman a part of management is to see that he is provided a three-way flow of management information. This management information is not limited to the specific information he must have in order to perform his job, but rather includes all allied subjects helpful in raising his effectiveness and pride. Our supervisor is human and wants to feel that he is in "on the know." If he is to be management, he must think in management terms which pre-suppose that he must receive information which managers normally get. I mentioned three-way flow; let me explain. There is that flow of information coming from the top of the organization down through the various levels acquainting each level of the objectives, plans, ideas, and progress in reaching those objectives. There is that flow of information which should come up from the bottom of the organization, giving an account of the attitudes and reactions of each level on the way up. This is the flow that all too often is dammed up. The pipes are clogged shut, and all we hear from those in the lower levels is what they think we want to hear. Again we must encourage people in the management group, by examples set at the top, to express their ideas and beliefs to the level above. Too often, those at the top are working in the ivory tower because those in lower levels have not put them straight. The third direction of the flow of information is that which should come to the foreman from all fellow supervisors in his own and other departments; both line and staff. Again, it is a means of informing him of the plans and objectives of other divisions, at his own level, so that all can be fully integrated in the day's activities.

Personal contacts are much to be preferred to the printed word. Daily personal contacts, regularly scheduled meetings at each level, plant conference programs, and regular opportunities whereby lower levels of management can meet with members of top management are of great value. Written policy books, supervisory bulletins, and other devices are helpful as supplementary measures.

We should always endeavor to make certain that the management group is first to hear important company news before it is given to union officials and before it is announced to the press. Nothing makes the foreman feel apart from the management group more than to have him read important news about his Company first in the newspaper or hear it from the shop steward.

The Seventh Step—Management Education

The seventh step in our over-all program is to educate the foreman in the profession of management. There is no question in the doctor's mind that he is a member of the medical profession. He has received a medical education, and upon

graduation becomes a member of the local medical society. Cannot we do somewhat the same thing for our foreman? We need to establish some methods of making him feel a part of the management profession. We must give him the opportunity and encourage him to think in terms of management goals, problems, and techniques. The formation of Plant Management Associations, restricted to those who really belong to the management group, is a good tool with which to accomplish this purpose. Here our foreman can go and hear management subjects discussed by qualified people. We feel that we are members of the personnel profession because we come to meetings such as this. Let's give the foreman the same opportunity, but we must be prepared to spend some money to give him the right kind of program and one that he will value.

Perhaps we can stimulate his education in the profession of Management by encouraging him to take evening courses in management subjects. In many cases our foremen did not have the opportunity to go on with extended formal education. We need to encourage them, at least the younger ones, to make up this deficit. As an inducement, why not offer them tuition refunds when approved courses are satisfactorily completed?

The Eighth and Last Step—Recreation

And finally we come to our eighth and last step in our over-all program, that of providing recreation to develop esprit de corps. It is not a large item and naturally will depend upon the habits and customs of the organization. But if we can encourage members of management to bowl and participate in social activities, we can encourage group consciousness. In some cases such events can be conducted as part of Plant Management Association programs.

I have covered very briefly the eight steps of our over-all program for making the foreman a part of management. Let me summarize them:

1. Give him a real management position.
2. Have adequate compensation and merit appointment policies.
3. Recognize his individual performance.
4. Encourage acceptance of him by his superior and staff departments as a member of management.
5. Provide training to meet his individual needs.
6. Provide him a three-way flow of Management Information.
7. Educate him in the profession of Management.
8. Encourage recreation to develop esprit de corps.

It is worth while to work on a program such as this to gain the benefits of a more effective management organization; that, we in turn, may produce better goods at lower prices and create better management-employee relationships. The po nts I have mentioned are not the only answers—not all of them may be needed in every case. No doubt you have found other methods to be of value in your organizations. That we may have a full exchange of all ideas helpful to us in making the foreman a part of management is the purpose of this conference. Through it I hope we may be better equipped to do the job at hand.

Modern selection methods and a dash of the original in solving an old problem have combined to make an interesting story of a successful search for Junior Executive talent.

Invitation to Success

By Meredith Reid, Director of Personnel Industrial Relations, Kaufmann Department Stores, Pittsburgh.

Women's Wear Daily for October 3 carried a little story, "New Source for Junior Executives Uncovered," in which our ad carrying the caption "An Invitation to Success" was repeated verbatim.

The problem was how to recruit young men and women with outstanding qualifications for a leading retail establishment, who would, after indoctrination and training in retailing of approximately six months' duration, be good material for junior executive positio s. In other words, find Training Squad people up to our standards, which are admittedly high, at a time and through a medium apart from the college system. These people would supplement our own executive pool. We have always had a Training Squad. The training program here is so geared that our own people are offered courses of three kinds, Retail Training for potential executives, Retail Conference for those who have made the first rung on the ladder, and Executive Development from the top management down—dealing chiefly with human relations.

All right, suppose we did need some good people. Where were we going to get them? Colleges were closed. The cream of the crop presumably had been skimmed. Why not run an ad, said I, with a different approach? It would definitely not be classified. It would be a prestige ad run as part of our regular display advertising. "You will get many frustrated malcontents, crack pots and a low grade of ore," generally were the objections. The answer was "Suppose we do get a few of them!" It seemed to me that there must be a great number of highly qualified young people still waiting for the knock of opportunity; particularly it was felt that this was true of ex-servicemen and women. Perhaps the fact that your author was a veteran of both wars (more commonly known as a retread) had something to do with his thinking. Perhaps the fact that as Chief of the Field Briefing and Training Section, Military Intelligence Service Project, he had come in contact with many of these outstanding young people and had a high regard for their leadership potentials, was persuasive in a decision. The project was given the green light.

I was told to write the ad, which I did, and, to my surprise, the Publicity Department accepted it without change. It is reproduced with this article.

AN INVITATION TO SUCCESS

RETAIL

EXECUTIVE TRAINEE

Men and Women; 21 to 28 years

If you like working with people and merchandise; if you were top-flight in college or won equivalent service or job recognition; if you are ambitious yet patient; if you want retailing as a career. . . .

Kaufmann's will, by competitive test, select 5 men and 5 women to receive a rigorous, outstanding Training Course with pay in the sincere hope that upon completion those qualified will become Junior Executives with a future.

This offer continues available to Kaufmann employees upon application.

Apply: Personnel Director

KAUFMANN'S

Pittsburgh, Pa.

The age limit was purely arbitrary; simply to get it into the scope of the usual college graduate group, and simply because of the impact of the war of those who were now bumping 30. A college degree an essential? No! If you do have it, you had to be top flight; the mere having of it was no open sesame with us. If you didn't have it but had what it took in leadership in the services, we were more than ever interested. Or if you had a little of service and a little of college and had already demonstrated something in business, we were again interested, provided "you liked working with people," without which no qualifications, however high, would fit you for retailing. Provided you are ambitious but patient—for dame fortune did not always smile the week after you completed your course. We would then pick 5 men and 5 women. Why this number? Simply because it made an easily workable unit and although our supervisory and executive personnel on the merchandise side show a ratio of 60% women and 40% men, this was simply an equal opportunity offer. To shake out the softies or those who were just going along for the ride, "rigorous" was hung out as a red light. On the other hand, "outstanding"

was the green light; the reward, or the "pay-off." Obviously, we weren't in this for our health. Our own employees? Most certainly we wanted them, although we felt pretty sure that having screened them so often, there weren't many nuggets that we had missed.

Screening Out the Best

Finding the gold in pay dirt is—from early forty-niner days down to today—just a refinement of panning or what we now know as screening. This same screening is the modern testing program in its application to those attracted to your establishment by your prospecting or recruiting; whichever you call it. You must evaluate or select either by a hit-or-miss method or by scientific screening. This screening is valuable not only in pointing out gold in our prospects but, even more so, in indicating the base metals; that is the negative information we get which warns us about the otherwise attractive prospect.

We used test batteries requiring 3½ hours for administration, which were selected by Dr. Lawrence Greenberger, our able Director of Training, who was a psychologist and educator before he became a leading retail Training Director.

How did this work out? Twenty of the local applicants were rejected by me on initial interview. Forty-one were tested who had, in my judgment, better than average possibility, and were sent foward to the Employment Manager for further interview; thence to the Training Department for additional interview and the battery of tests. There were few, if any, who miscalculated the requirements. The first ten selected were far beyond the average. Whether they are in fact gold for this organization remains to be seen. We feel that they are the kind of young people who are available to retail organizations in any large city in this country whose management will take the trouble to prospect for them, screen them and train them. They are, in every instance, personable, attractive and ambitious.

Here they are:

Mary J. Mc.......... Graduate of an outstanding local women's college, majoring in Sociology. Age 22 years.

June S.................. Graduate of Carnegie Tech in Costume Design; six months with Elizabeth Arden in New York. Age 22 years.

William S.............. Graduate of Duke University. Skipper of 165 foot salvage vessel; crew of 75. Did deep sea diving himself. Previous to the war, never any closer to the Navy or diving than the Ohio River. Age 24 years.

Eva P.................. Graduate of Duquesne University. Teacher in local schools. Master's degree at Columbia University. Worked at Bonwit Tellers and as a supervisor at an exclusive New York day school. Age 35 years.

Harry K.	Graduate of W. & J. College cum laude; 1 year at University of Penna. law school. Air Corps. Age 26 years.
George J.	Finishing fourth year college night course. Private to Captain, Army. Age 28 years.
Marjorie B.	Degree in Education, University of Pittsburgh. Former Kaufmann employee—head of Gift Wrapping Department. Accompanied officer husband to Germany with Occupation Forces. Taught there in American schools. Age 24 years.
Mary McI.	Bryn Mawr College—Sociology. Daughter of steel company executive. Major psychology. Age 22 years.
Ruth W.	University of Pittsburgh—major Psychology. Daughter of an attorney. Age 22 years.
Saul G.	Finishing fourth year night course—University of Pittsburgh. Sergeant — cryptographer — Army. Age 23 years.

It may smack a little bit of apple polishing, but in truth it is only giving credit where credit is due; that this selection program, like the whole background of our Personnel program, owes its impetus to the sound backing of Mr. Oliver Kaufmann, Vice President and General Store Manager, whose interest in personnel and human relations—especially training—is real.

The moral of this little tale simply is that any large city has gold awaiting your finding and screening. Perhaps you can do a little prospecting with your own "Invitation to Success"—whether it be in retailing or in industry.

This is a list of the many things that must be done to keep a salaried job evaluation installation up-to-date. It describes the procedure for a group of 1350 employees with salaries to about $6000. This installation of factor comparison has been in effect for nine years.

Job Evaluation Maintenance

By Kathryn C. McDermott, Chief Job Analyst,
The Pennsylvania Company for Banking and Trusts, Philadelphia.

Maintenance of a job evaluation plan brings problems, many of which were not foreseen at the time of installation. Wage plans are not very troublesome to keep up but salaried plans require a great deal of work. The following description is of a salaried installation covering 1350 employees with salaries to about $6000. The installation has been in effect for nearly nine years in which time there have been several Chief Job Analysts, on whom falls the immediate burden of keeping all elements of the plan up-to-date. The top official to whom the Chief Analyst is responsible is the Personnel Director and it is his duty to work with all other top and middle-level executives in securing and retaining acceptance of all elements of the plan.

There are the following persons or groups directly concerned with the plan: the President of the company for final authority and decision, the Personnel Director and Chief Job Analyst who together are responsible for keeping the plan effective and in full working order, the Senior Job Analysis Committee (8 high-level officials) to supervise the maintenance of the plan and to approve evaluations, an Intermediate Committee to rate jobs from grade 15 to 21 (comprised of four from the Senior Committee and four from the Junior Committee), a Junior Committee (comprised of Asst. Personnel Director, Chief Job Analyst, one full-time analyst and 9 part-time analysts selected from the larger departments) who write the job descriptions and rate all jobs through grade 14. In administering salaries there is a monthly review. The salary of each employee hired in that month of any year is considered in relation to the quality of that employees performance. All changes of assignment are processed on a form known as "Change of Status".

The plan is kept very flexible, so that new jobs can be described and evaluated promptly as well as jobs that have changed because of changes of work flow or for any other reason. It should also be noted that this plan, like other factor com-

parison ones uses only five factors, not sub-divided. These factors are Skill, Mental Requirements, Responsibility, Physical Effort and Fatigue, and Working Conditions and Hazards. Following is a list of the various steps taken in the course of maintaining the salary evaluation plan at a high level of effectiveness.

1. Check current monthly salary review sheets for employees without job numbers. Group according to department and review with proper supervisor to ascertain situation. Where employees are performing work already covered by a job description (WITH NO VARIATION WHATEVER) advise department head to notify Personnel Department so proper notation may be made on their records. Where job cannot be written at present, prepare tickler card, outlining reasons, and noting date when it is to be reviewed. Where it is in order to proceed with review, have forms distributed. Whenever possible do first those employees whose anniversary occurs in near future, and then those jobs having multiple occupants.

2. Examine job descriptions on file to see how many are out-of-date. Arrange in departmental groups and discuss with proper official to see if there is any personnel or procedure change pending that would make a review at this time impracticable. If not, have forms distributed and jobs written at convenience of department.

3. Wherever there are a number of employees without ratings and/or a quantity of jobs in need of review in the same department, endeavor to secure permission of proper official to institute a departmental review to bring entire unit up-to-date.

4. Check all changes-in-status daily covering transfers to see whether there is any chance that the job content may change with the incumbent. Prepare tickler card and look into situation in about three months to see if job should be rewritten.

5. Review all requests received for individual job reviews to be certain there are no companion jobs in the same department that also require restudy. If so, suggest to department head the advisability of having them written at the same time.

6. When distributing individual and supervisor job report forms set a deadline for their return (approximately two weeks). Also be sure to enter in the job register, the date, name of person whose job is to be reviewed and date forms were sent.

7. Always send both individual and supervisor job report forms to the supervisor, with the request that he pass along to his employee the individual job report form for completion.

8. When both forms have been returned, complete entry in job register, showing date returned and initials of analyst to whom assigned.

9. Assign job to analyst, giving him any additional facts you may have in your possession as to reason for review and date when job should be completed.

10. Proofread analysts' drafts and return with any comments or suggestions for improvement, to be completed on proper form, and approved by employee and supervisor.

11. Where there are a number of jobs to be written in the same department, assign to one analyst wherever possible, and hold until all are ready before submitting for committee approval.

12. When descriptions have been approved by Chief Analyst, employee and supervisor, forward to Personnel Director for approval; then have ditto masters prepared and sent to Printing Department for 40 copies to be returned to Chief Analyst.

13. Attach original signed job description to one ditto copy, also individual and supervisor job report forms, and hold in a tickler file until jobs have been rated and approved by Sr. Committee.

14. Place ditto masters when returned from Printing in a tickler file, in numerical order, until jobs have been approved by Senior Committee.

15. Consult with Personnel Director when you have accumulated about 20 jobs and set a tentative date for analysts' and Senior meetings. Confirm dates with Chairman of Senior Committee, who in turn will notify the members of the Sr. Committee as to the time and place of the meeting.

16. Have a list of jobs to be presented to analysts (those under grade 15) prepared in ditto on Job Evaluation Record form and send to Printing Department for 50 copies.

17. Sort jobs into sets for members of analysts' and Senior Committees, attaching a dittoed copy of the list mentioned in ¶16.

18. Send one set to each analyst, together with a memorandum stating the date when the completed ratings are to be returned to the Chief Job Analyst, also advising time and place of analysts' meeting.

19. Send set of job descriptions to members of Sr. Committee, advising them that these jobs will be reviewed at a specified meeting of their committee.

20. Hold out from the jobs sent to the analysts any which in a previous rating fell into grade 15 or higher. Forward these jobs to the members of the Intermediate Job Evaluation Committee for rating, with a memorandum stating when they should be returned to the Chief Job Analyst.

21. Get together with a small sub-committee and pre-determine physical and working conditions factors on the jobs already sent analysts. Forward each analyst an additional copy of the dittoed job evaluation record, on which has been inserted the ratings arrived at by the sub-committee. Also attach a memorandum stating that these ratings are only tentative and subject to discussion at the meeting.

22. Post ratings of all analysts on factor breakdown sheets and have ditto masters prepared and sent to Printing Department for 25 copies. When returned have placed in sets and stapled. Attach one copy to each analyst's rating sheet, for distribution at meeting.

23. Review factor breakdown carefully, noting the jobs that will require no committee discussion on one or all factors by reason of agreement. Line up additional material where factor ratings indicate a wide difference of opinion between analysts.

24. Preside at analysts' meeting. Distribute factor breakdown sheets and raters' work papers to analysts. "Settle out" differences on each factor for all

jobs, commencing with skill, then mental, finally responsibility by a group of like jobs. Then do the same for the next group of similar jobs. Unless there is some expression of disagreement with the pre-determined physical and working conditions ratings, allow them to stand. Encourage analysts to discuss comparisons made in ratings. Keep discussion moving, but do not permit any one person to monopolize meeting. Keep record of final ratings established for each job, total when all factors are settled on all jobs. Discuss any borderline salary grades before terminating meeting.

25. Have departmental approval memoranda (in duplicate) prepared for all jobs in each department and secure approval of proper officer.

26. Prepare tabulation of final ratings for submission to Senior Committee. Place jobs in salary grade order by departments low to high, showing Job No., job name, five factor values, total points, new salary grade and value, old salary grade and value.

27. When time permits, send one copy of tabulation to each member of Sr Committee in advance of meeting, with memorandum asking that he bring it to the Sr. Committee Meeting with him. Otherwise, distribute at meeting.

28. Prepare similar breakdown on ratings of Intermediate Committee. (These go into Sr. Committee for approval before being presented to Department Head.)

29. Attend Senior Meeting as representative of analysts. Answer questions raised regarding jobs or ratings. Secure approval of Chairman on one copy of tabulation, for permanent record.

30. Note Senior Committee approval on duplicate copies of approval memoranda and forward to proper official, advising him of final rating approval.

31. Prepare memoranda advising department heads of approved ratings on jobs reviewed by Intermediate Committee.

32. Insert work codes on one copy of tabulation and forward to Tabulating Department advising them of new ratings (by analysts and intermediate committee), so new cards may be punched and 18 sets of Review Sheets prepared for analysts.

33. Distribute sheets of new ratings (showing date of review) to analysts, together with memorandum.

34. Advise Personnel and Payroll Departments of new jobs and ratings, also supply them with names of employees to whom they are applicable (taken from approval memoranda).

35. Have new ratings posted on 3x5 record card file in Personnel Department.

36. File ditto masters, in numerical order, with other ditto masters in Personnel Department.

37. Pull one set of job descriptions; note proper salary grade number and factor distribution at upper right hand corner. File in master binders of approved job descriptions.

38. File extra copies of all job descriptions in proper folders in "Extra Copy" File in Personnel Department.

39. File original copies of departmental approval memoranda in folders in front of each department's job folders in Personnel Department.

40. File signed copy of Sr. Committee tabulation in folder for that purpose in Personnel Department.

41. File original signed job description, copy of new ditto, and individual and supervisor job report forms, in folder for each job. Where job is new, prepare folder, showing job no. and name, and insert this data.

42. Note any visitors to either meeting on sheet in file for that purpose in Personnel Department.

43. Post new factor ratings in Chief Analyst's job evaluation binder.

44. Advise Tabulating Department of any jobs to be removed from active file by reason of passing out of existence or being superseded by another number.

45. Make note of any likely additions for inclusion in next run of yardstick jobs.

46. Review any jobs on which rating was disapproved by committee or department head. Secure additional facts, discuss with department head, have job rewritten if necessary.

47. Check tickler files and line up material to be written for next meeting.

Few office supervisors have had any formal training in supervision. Usually they have come up from the ranks. This article describes a series of weekly training sessions which proved very effective.

Training Office Supervisors

By William G. Torpey,[1] Alexandria, Virginia

Various plans have been established in governmental agencies and industrial and commercial establishments to provide supervisory training. Each varies in methods and detail; each has met with varying degrees of success. One such program was introduced in the Personnel Office of the U. S. Maritime Service Headquarters, Washington. It is summarized here for study and possible application by other organizations.

The program is based on the thesis that the supervisor is the key to efficient operations and that, as a consequence, the scope of his effective authority should be enhanced. The supervisor may well be considered the core of efficient personnel activity. The supervisor is the administrator nearest to the scene of detailed operations. He has the daily contacts with the rank and file of employees of an organization, assigns and reviews their work, answers their questions and assists them with their work problems. He is cognizant of their official performances, and, moreover, by virtue of the fact that he is in constant touch with the employees of his unit, he becomes acquainted frequently even with their personal problems and particularly with those which tend to influence their official behavior. He, more than anyone else in the organization, possesses an intimate knowledge of his subordinates. At the same time, as the immediate exponent of management, he exercises authority. The success or failure of over-all management hinges largely upon the outcome of the myriad of minute relationships which the supervisor has with the employees under his supervision.

Regardless of the diligence exercised in the selection of supervisors, the problem of obtaining efficient supervision is not solved at the termination of the selection process. Comparatively few supervisors have had previous formal training related to the performance of their supervisory duties. Normally the supervisor has come up from the ranks. He has been the recipient of, not a participant in, administrative rule-making. He does not know the range of personnel practices available for

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the management of employees. Nor does he necessarily understand the basis of essential organization policies. However, in order to handle his subordinates successfully, he needs more than the authority to repeat past procedures. He must thoroughly know objectives and methods. He usually needs on-the-job training. Without effective decentralization of management decisions over the routine must be exercised above the sphere of the supervisor and comparatively far removed organizationally from the actual scene of operations.

Under the program set up at U. S. Maritime Service Headquarters, a meeting of supervisors and assistant supervisors of all units within the staff offices comprising Headquarters was held once a week after the close of the regular business day for a period of ten consecutive weeks. The civil service grades of the supervisors and assistant supervisors ranged from CAF-4 to CAF-7. Attendance was voluntary. The length of each meeting varied from one and one-half to two hours. The Personnel Officer was chairman of each meeting.

The agenda of each meeting was divided into three parts: (1) a summarization of important administrative decisions and points of policy made during the previous week, (2) an explanation of one important phase of personnel administration together with an analysis of operational practices connected therewith, and (3) questions and problems raised by supervisors and assistant supervisors.

Summaries of administrative decisions and policies were presented in numerous ways. Sometimes an official letter enunciating a decision was read. In other instances, agency news releases were reviewed. Occasionally, a recent project or activity of the agency was described. Emphasis was placed, whenever possible, on the aims of the organization with the intent of keeping organization objectives constantly before the supervisors. It was found desirable to relate the daily work of individual units of a staff office to the over-all functioning of the organization itself. Such an approach tended to make more realistic the comments and questions posed by the ever-recurring stacks of incoming correspondence.

The presentation of essential aspects of personnel administration and of related operational methods furnished needed technical background for the supervisor. Areas of content covered during the ten weeks included the following:

(1) The evolution of the U. S. Civil Service System—historical periods of relative administrative efficiency, of spoils, of resentment against the spoils system; reforms including the evolution and analysis of basic Civil Service laws; relation of the economy and efficiency movement to; civil service reform; trends toward decentralization of responsibility for personnel action.

(2) Civil Service Status—meaning; methods of acquisition; types of appointment in federal service; rights and responsibilities of the individual employee; post-war procedures for obtaining status.

(3) Leadership—aims of leadership; the supervisor as a leader; desirable qualities of leadership; responsibilities of leadership in the public service.

(4) Principles of learning—the employee learning process; psychological laws of learning from the viewpoint of the employee; memory and retention; aids to learning; value of supervisory recognition of basic educational principles related to the learning process.

(5) Discipline—its significance; positive and negative approaches to the subject; forms of disciplinary action; the supervisor as a disciplining agent; appeals from disciplinary action.

(6) Employee morale—factors rated as highly significant for employee morale; supervisor-employee relations as affecting morale; suggestion procedures; grievance systems.

(7) Environmental conditions of work—influence on individual employee of such factors as ventilation, temperature, lighting, sanitation and noise; accident prevention; safety programs; injuries and medical treatment.

(8) Position classification—factors contributing to development of the movement; concepts of "position" and "class"; processes of job analysis; problems of analysis; values of a sound classification system.

(9) Pay-analysis of current pay regulations including careful analysis of the Federal Employees Pay Acts of 1945 and of 1946; overtime compensation; compensation for night and holiday work; within-grade salary advancements; pay schedules for employees.

(10) Efficiency ratings—importance of thoroughly understanding efficiency procedures; brief review of rating processes; description of appeal procedures; analysis of errors frequently made by rating and reviewing officials.

Each person in attendance received a mimeographed outline of the major points to be covered, prior to each meeting.

Questions and comments by the supervisors and assistant supervisors were encouraged. Frequently, after individual opinions were expressed, further clarification of specific practices was made.

Careful analysis and observation indicates that the series of meetings had very noticeable effects. Both supervisory and employee morale was definitely stimulated. There clearly appeared to be a realization on the part of employees that each is a vital part of the large organization. Improved morale was reflected in the activity of individual employees, not only through their willingness to remain at their desks voluntarily after the close of business to perform specific tasks, but also in a positive attitude exhibited toward superior authority. The existence of both of these conditions brought forth favorable comment from executives of the organization.

Operational procedures were improved as a consequence of supervisory meetings. The construction and use of organizational charts, the maintenance of current job classification sheets, the revision of methods for recording leave, the establishment of a grievance plan, and the creation and use of work units exemplify only a few changes made. As a corollary, relative production was increased.

The knowledge afforded through participation in supervisory meetings enables the supervisor to exercise authority more intelligently. The individual employee of any organization spends the greater part of his active hours of every day, five days per week, on his job. His point of contact on the job is the supervisor. The intimate relationships between the employee and the supervisor may spell out either a day of dull labor or one of enjoyable activity. Personnel methods and procedures, impersonal as they usually are, are keyed to abstract objectives. Yet, the operation of these methods and of these procedures depends upon the individual employee. The problem of intelligent management thus resolves itself into one of tempering the application of abstract procedures with human understanding. Top management can make the policies, can lay down the principles, can select the work patterns, but it is the supervisor who must carry them to fruition. The challenge to personnel administration, therefore, is to develop the supervisor so that he can efficiently represent management and, at the same time, acknowledge individuality.

Through the establishment of a program of supervisory training, such as has been briefly described above, personnel management within the central office of an agency has become decentralized, and, it is firmly believed, more personalized, more understanding and, hence, more effective.

It is suggested that government agencies and industrial and commercial concerns give consideration to the establishment of such a program of supervisory training outlined above. A particular organization may desire to modify a few of the topics or some of the procedures indicated herein because of the individual nature of the organization. It is believed that adoption of the general method described will tend to facilitate personnel operations.

In Personnel Journal for November a Guest Editor, Sam Burk, Director of Industrial Relations at Pittsburgh Plate Glass Company, told of the necessity for analyzing personnel and labor relations operations in order to be able to justify their cost. He gave warning that the time will come when, with shrinking profits in a period of business decline, management will demand proof of the value of every activity that costs money. Personnel and all other non-revenue producing departments will be under special pressure to prove their value. Next month Personnel Journal will carry an article that will help industrial relations and personnel managers with this problem of justifying their operations. It reports the results of a survey of personnel costs among a group of companies in Indianapolis and was conducted W. C. Jackson, Industrial Relations Manager of the J. D. Adams Manufacturing Company, with the support of the Indianapolis Personnel Association. Cost studies of this kind cannot be taken at face value because of differences in conditions between companies and between industries. "Survey of Personnel Department Costs" in Personnel Journal for January will, nevertheless, be interesting and useful.

Several readers think that Robert B. Eckles' ideas on interviewing veterans at the colleges is one-sided in favor of the veteran. Here is something on the other side.

More Suggestions for Interviewing College Graduates

By Lawrence G. Lindahl, Personnel Director, The Todd Company, Inc.

The article, "Suggestions for Interviewing Veteran Engineering Graduates," by Robert B. Eckles in the September issue of the Journal needs further discussion. It was undoubtedly the intention of the author of the article to report on the opinions of the graduates; yet some of the statements made may lead one's thinking in the wrong direction. Is it the graduate who is selecting an employer or is the employer selecting a graduate? Two or three of the statements infer that the company representative should bring everything to the interview for the benefit of the graduate. Nothing suggests that the graduate should make any kind of preparation for the interview with the company representative.

Company representatives are proud of the companies for which they interview. Usually they let the prospective employee do all the talking if they can get him to do so. Their leading questions are designed to uncover as much about the graduate as possible so they can choose with assurance from among the prospects. They want to maintain a reputation with their companies that they know how to pick the best of what the colleges have to offer. The representatives feel they are giving young men an opportunity with their company and they hope to find those prospects who can recognize those opportunities.[1]

First the representative will probe the prospect to see if he has the right background, education, and attitudes to make an employee on which the company is willing to take a chance and spend money. Every prospect should remember that it will be a long time before he can make any money for the company. When the representative is convinced that he is interviewing the right man he then starts to

[1] Employer Reactions to Preparation for the Interview, by Lawrence G. Lindahl, School & College Placement, Vol. 7, No. 4, May 1947, p. 17-26.

sell the company to him. He likes to have the graduates come to the interview well prepared. The colleges can do much more than they have done to prepare their students for the interview. For suggestions along this line refer to a survey by the writer published in the May issue of School and College Placement.[1]

If the prospect is better prepared for the interview he will do a better job of getting the information he wants about the company and his interview will also be more satisfactory. The questions listed in Mr. Eckles' survey which the graduate wants answered will be answered because he has been prepared to get the answers in the interview. It is not only a case of the selection of an employer by the student, but also the selection of a graduate by an employer. By an exchange of ideas and information a mutual agreement is reached; the representative satisfied that he has selected the right graduate and the graduate satisfied that he is hired by a company where he can realize the goals which he set out to achieve for himself.

Some of the goals are those mentioned by Mr. Eckles. For instance, there is job security and chances for promotion. Even though the graduate is not content with the time honored statement, "it is up to you after your training course is finished," the statement is true. There is no such thing as security by itself and promotion depends upon performance on the job.

It is regrettable that a veteran thinks he is too old to undergo the experience of a frequent change of employer during his first five years with industry. Most veterans are young men even after they have spent 5 years in the service. Whether the company wants to keep him or not will depend on the individual more than it will on the company. Changing jobs might be valuable to the veteran. The best example of a failure is a man who has stayed too long on one job.

Mr. Eckles states that graduates feel they should have before them a correctly expressed statement of the financial position of the prospective employer. Does this carry the implication that statements are not correctly expressed? No doubt all the companies that send representatives to the college campuses are financially sound. If not, the colleges should find this out beforehand when they prepare their students for the interview and at the time they compile their books of information about the various companies. If, as stated, most engineers and scientific graduates are not trained at the time of graduation in the art of interpreting financial statements, such a statement would be of little or no value to the prospect.

The comment preceding the title to Mr. Eckles' report suggests that, "possibly not all of their suggestions are entirely practical but companies who expect to employ in 1948 will do well to consider them carefully." The writer would like to add that the colleges should also prepare the graduates better for the interview. Part of that preparation could well be the conditioning of the attitudes of the prospects so that they will not expect more than reality provides.

The Editor Chats With His Readers

When Sam Burk read Frank Rising's plaintive whimsy in this column for November, which was called "Old Age, Or Something To Think About" he remarked that Frank should have called it "Old Age, Or Something To Cry About"! But maybe that's only the way Sam feels about it himself.

At the suggestion of the Chairman, Tom Spates, the name of the Advisory Management Committee of the National Industrial Conference Board will be changed to the Advisory Committee on Personnel Administration.

A reader suggests that Personnel Journal be placed in the company library where all employees, including Union members, can see it and thus become aware of the interest of management in improving conditions of work through better personnel and labor relations practices.

The following acrostic was contributed by Mary Hume Richardson, who writes; "Are you by chance one of the Hays of Swarthmore upon whom I dropped one rainy Fourth of July night some five years ago, when inadvertently put out by the bus driver in the wrong part of town." Yes, Mary, we are; please come again, rain or shine.

A Good Supervisor

is a person of—

"*S*uper" vision who

U rges his staff to accomplishment through

P raise whenever it is justified, and who gives

E xplicit and clear instructions born of his own knowledge of the job. He has

R espect for the ideas and opinions of his staff and proves it by patient and tolerant listening. He

V italizes and dramatizes directives with anecdotes, charts, cartoons and examples of cause and effect. He

I nspires his staff with the importance and worth-whileness of their work by relating it to the whole institution's program and objectives. He

S ecures the cooperation of his staff by yielding 75 per cent when possible—realizing that no one but himself will interpret that as more than 50 per cent. He

I nsures clearly delegated responsibility thus avoiding crossed wires in supervisory levels below him. He

O rganizes his own work to give time for planning and review

AND

N ***ever*** loses his sense of humor.

I. Woodbeone.

Here are some "Kind Words" that have come in recent weeks. From Indianapolis comes a letter written by A. F. Watters, Personnel Manager of Radio Corporation's plant. He says:

> "I have been a reader of PERSONNEL JOURNAL for a number of years and I am particularly enthusiastic about the changes and improvements which are being made in the publication under your direction. Most operating personnel people need help and guidance, which is of a practical nature, from leaders in the personnel field; and I think your efforts will do much to provide this assistance. I should like to request your approval to reprint in our plant newspaper, for the general consumption of all our employees, Tom Spates' editorial "The Will Of The People In Labor Legislation." This seems to me to be a particularly timely and objective comment relative to today's distorted labor propaganda picture."

Thank you and you may indeed copy Tom Spates' excellent editorial.

Another nice letter comes from H. G. Galebach, Plant Personnel Manager for Armstrong Cork at South Braintree, Mass. He says:

> "Your September issue of PERSONNEL JOURNAL, in my opinion, is one of the best issues I have read in my many years as a subscriber. Your new features including Conference Calendar, Help Wanted and the great number of shorter, but right-to-the-point articles, have increased my interest in the magazine considerably."

Any comment on that is superfluous!

"Three Ways To Get A Kick Out Of Your Job" is the title of a tiny booklet by William J. Reilly and issued by Prentice-Hall. Mr. Reilly shows how easy it is to take your job for granted and says, "Sometimes a fellow has to get fired before he begins to understand the importance of what he's doing". He goes on to show why it pays to learn better ways of doing your job and how to get along with people. These are the "three ways to get a kick out of your job". Mr. Reilly is the author of several of the most readable and useful books in print for the man or woman who works for a living.

Lawrence G. Lindahl, whose article on interviewing veterans appears in this issue says,

> "The JOURNAL looks about as it always has but seems more refreshing to me than it used to. Could it be that a "Re-Dedication" has given it new Life? I believe so. Anyway I like it. I read the page "The Editor Chats With His Readers" and enjoyed the little visit."

(Ed. These "kind words" are heady.)

The Business Information Bureau of the Cleveland Public Library has sent "How To Use Handicapped Workers", a selected list of reading references. It gives more than fifty useful references and may be obtained free by writing to the Library at 325 Superior Avenue, Cleveland 14.

From time-to-time we receive inquiries for information which we cannot meet. Thinking that readers may have answers the following requests are repeated. The writers would be glad to hear from anyone who has the information sought for. D. G. Robertson writes from the Personnel Department of the Polymer Corporation, Sarnia, Canada, as follows:

> Could you please direct us to a source of facts and cost figures of First Aid or Medical Departments in Industry. At present we are making a survey of our Medical Department's services and cost and would like to obtain data as to cost per employee, cost per treatment, size of medical departments and service given by other employers, especially companies with around 1500 employees.

And Ralph A. Lyon, of the Technical Research Department of The Bristol Company, Waterbury, Connecticut, writes:

> I am, at the present time, making a survey of factories and industries within the United States who operate or have operated company or cooperative stores for the benefit of their employees. I am interested primarily in those stores selling foods, groceries and meats on a cost plus basis.
>
> Specifically I would appreciate the following information:
>
> 1. The names and addresses of all companies operating such stores.
> 2. Under cost plus operation have these stores been able to grant sufficient discount or dividend to encourage the continued patronage of the employee?
> 3. In cases where company stores have failed, what were the underlying reasons for this failure?
> 4. Is there a relationship between the products a company manufactures and its success in operating a store of this kind, i.e., has it been shown that a factory manufacturing consumer goods might meet with a stronger opposition from local retailers than a manufacturer of capital goods?
> 5. Have any surveys of this type been made, and if so, are they available?
>
> I would indeed be grateful for any of the above information which you may have, or any available references which would enable me to find answers to these questions.

Every employee of Burroughs Adding Machine Company is given a small folder with the President's signature entitled A BETTER PLACE TO WORK. Here is what it says:

> Burroughs Employee Relations Policy briefly summed up is this:
>
> "*Burroughs Seeks Always to be a Better Place to Work*"
>
> In order to carry out this policy, it is Burroughs practice:
>
> To seek employees of the highest quality
>
> To select these employees on the basis of merit, skill, experience, training, intelligence, character, and physical fitness
>
> To give full consideration to the placement of disabled persons, especially veterans, on work they are qualified to do

To pay wages, for comparable work, equal to or higher than those prevailing in communities where Burroughs does business

To operate on a 52-week-a-year schedule as long as is economically possible

To provide paid vacations and paid holidays for all eligible employees

To respect the individual rights of each employee and to treat all employees with courtesy, dignity and consideration

To assure each employee the right to discuss freely with management any matter concerning either his own or the company's welfare

To make prompt and fair adjustments of any complaints which may arise in the every-day operation of the business

To make available to employees opportunities for training, development and advancement consistent with individual performance and the requirements of the Company

To promote employees on the basis of merit, but, when all factors are equal, to give those with longer service the preference

To make promotions from within its own ranks wherever possible

To develop competent supervisors who understand the work of the Company and who can meet with open-mindedness suggestions and improvements brought up by their fellow employees

To keep its factories and offices safe, orderly, and attractive places to work

To do all of these things in a spirit of friendliness and cooperation so that Burroughs will be "a better place to work"

John S. Coleman, *President*

July, 1947

Mr. Henry G. Pearson, Personnel Director of Union Bay State Chemical Company, Cambridge, Mass., writes,

I have been particularly interested in developing methods of keeping open the two-way channel of communication between top management and the employee. You would think in an organization of only 150 that it would be easy, but we seem to have all the problems that a larger organization has. However, I have experimented with turning such an opportunity as a routine interview to review an employee's job into an occasion for determining employee attitudes and at the same time putting over management's story.

Mr. Wesley B. Warren, Employment Manager for Delta Air Lines, Atlanta, writes,

We would like to see you devote an article to 'training supervisory personnel in a decentralized organization'. We operate in thirteen states and thirty-five cities. In some cities we have one or two supervisors, in others as many as a dozen. We naturally want each one to receive the same type of training. There are several ways to accomplish this but we want to hold the cost to a minimum and at the same time do a good job. We would be interested in any suggestions you will pass on to us.

This would make an interesting topic for an article and PERSONNEL JOURNAL will be glad to receive something along the lines of Mr. Warren's suggestion.

Mr. Michael J. Shortley, director of the Federal Security Agency's Office of Vocational Rehabilitation, has announced that civilians handicapped in getting jobs by total or partial deafness are invited to take advantage of the facilities of the State-Federal program of vocational assistance. Every State maintains offices for vocational rehabilitation for handicapped civilians, although there are at present only 55 such offices where civilians can obtain complete service. There is a need for more such centers. Industry has found that deaf persons usually make exceptionally attentive and faithful employees on suitable work. It is surprising how many occupations can be satisfactorily performed by deaf, or hard-of-hearing people; in some cases better than employees with full hearing.

Each year the National Association of Suggestion Systems holds a contest for the best suggestions among those which have already been recognized by their respective companies. The winners of this "Imagineers" Contest were presented with fine watches at the annual Fall Conference of the NASS, which was held this year in Chicago, where 600 suggestion plan administrators were in attendance. The presentations were made by G. R. Stahl, editor of Supervision magazine, whose publication was co-sponsor of the contest. First place went to George F. Dilliplane, Electric Storage Battery Company, Philadelphia, for a simple shut-off valve for welding torches. His company paid him $1000 for the idea. Second award went to Virginio Libera, Carrier Corporation, Syracuse, N. Y., for a method of freight car loading that eliminates the usual damage almost entirely. Many other companies have made use of the idea. Aylesworth Watson received third prize for a small polishing and grinding wheel for removing burrs from small typewriter parts, instead of the slow method of hand filing. He works at Remington Rand, Inc., Elmira, N. Y., who paid him $1070 for the idea. This annual contest helps to call attention to the tremendous importance of encouraging every worker to use his experience and knowledge in finding better ways of doing things.

MUSIC IN RELATION TO EMPLOYEE ATTITUDES, PIECEWORK PRODUCTION, AND INDUSTRIAL ACCIDENTS

By Henry Clay Smith. With foreword by Joseph Tiffin. 1947. Published for the American Psychological Association by Stanford University Press. Price $1.75

This monograph describes the results of a controlled experimental installation of an industrial music program in a plant of approximately 1000 employees. During a 12-week period, music was systematically varied as to amount, type, and distribution in order to determine its effects on employee attitudes, piecework production and industrial accidents. The results of this experiment are thoroughly analyzed, and the author presents his findings in narrative form along with numerous statistical charts and graphs. This is a valuable bit of research for anyone who is considering installing a music program, as well as being a worthwhile study for those who are currently using industrial music.

Richard N. Butler

SITUATIONS WANTED

EXPERIENCED INDUSTRIAL RELATIONS MAN—10 years covers contract and wage negotiations, training, job evaluation, wage and salary administration, employment, safety, suggestions. Organized and managed complete industrial relations dept. Multi-plant exper. 43. B.S. and Grad. work. Present sal. $9000. Seek bigger oppor. with progressive co. Box 2, Pers. Jour.

TRAINING DIRECTOR—Formerly in charge Supervisory Training in plant of over 12,000. Capable of installing new training dept. or managing existing one. References. John H. Hoag, 251 Harrowgate Rd., Penn Wynne, Phila. 31, Pa.

ASSISTANT—Seeks position in job evaluation, wage administration or Industrial Relations. B.A. in psychology. Age 26, female. Two years experience in job analysis and classification, employee rating in all types salary depts. including engineering. Box 3, Pers. Jour.

INDUSTRIAL RELATIONS EXECUTIVE—Broad experience negotiating labor agreements with A.F.L., C.I.O. and Independent unions. During past seven years have developed and administered a well-rounded personnel program including the functions of employment, testing, medical, safety, training, job evaluation, wage and salary administration and employee information and welfare services such as an employee magazine and cafeteria. Box 5, Pers. Jour.

VETERAN wants on-the-job training in job analysis. Has degree B.S. in Ed., one years experience managing drycleaning plant. 29, married. Box 8, Pers. Jour.

PERSONNEL MANAGER—39, now emp. desires change. 7 years exp. all phases Ind. Rel. plus 10 years research and interviewing. Box 7, Pers. Jour.

PERSONNEL DIRECTOR for smaller firm or Asst. in larger. Wage administration, job evaluation, grievances, employment, counseling, employee interview program, house organ. Boston area. 35. $5000 max. Available around Jan. 1. Box 9, Pers. Jour.

POSITION DESIRED with Progressive company in SE or SW by native Southerner. College graduate, 29 years of age. 3 years business experience and 4 years Army experience. Prefer more training. Experienced in the following phases of personnel: administration; labor negotiations; interviewing, testing and placement; safety; training; medical department; counseling. Presently employed. Box 10, Pers. Jour.

PERSONNEL SITUATION WANTED by young man, 34 years old. Wide experience. Excellent background. Now resident Montreal. Bilingual. Box 11, Pers. Jour.

HELP WANTED

Advertisements will be accepted under these headings at 50 cents a line for one insertion. Average 97 characters per line. 10% discount for two insertions; 20% off for three insertions or more.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, EDWARD N. HAY. Secretary, D. D. HAY

Volume 26 *Number 7*

Contents for January 1948

EDWARD N. HAY, *Editor*
D. M. DRAIN, *Circulation Manager*

Misleading Publicity About The Taft-Hartley Law

Management is apparently falling for a dangerous fallacy – the illusion "that the American worker favors what is in the Taft-Hartley law – but doesn't know it." This is the discovery of the Opinion Research Corporation—told with considerable fanfare in the Sept. 30, 1947 issue of LOOK magazine, iterated in thousands of reprints distributed wholesale among employers, plant employees, and editorial writers throughout the land, and reiterated again and again by such diverse authorities as Representative Hartley, Senators Taft and Ives, and full page advertisements in McGraw-Hill magazines.

The fact is that this well publicized poll proves nothing of the kind. Those managements which frame their union relations policies on the assumption that it does are taking a great risk. No one really knows as yet whether the American worker will support the employers who strive to live up to the spirit and letter of the new labor law. Perhaps he will, but the poll taken by Opinion Research Corporation does not substantiate any such hope. And there are strong if not conclusive grounds for believing, on the contrary, that the average worker will strike back bitterly against any management which uses the Taft-Hartley Act to weaken his union.

The ORC "discovered" that only 31 per cent of all workers approved of the law when asked whether they believe Congress should have passed it, 54 per cent opposed it, and 15 per cent had no opinion one way or the other. But when these same workers were asked their opinion of "ten legislative ideas"—all ten being "leading provisions" of the Taft-Hartley Act but not identified as such to the workers questioned – they plumped for these planks overwhelmingly. The favoring votes averaged 73 per cent, ranging from 56 per cent to 86 per cent of the workers polled.

Why is the poll virtually meaningless?

1. The average worker, like everyone else, is against sin. Whether unionized or not, he can usually be depended upon to oppose the closed shop, Communists, the compulsory checkoff and strikes in industries vital to the public welfare. Similarly, he will uphold "freedom of speech," public accounting of union funds, the quite "reasonable" point that unions like management should be subject to suit for breach of contract and the idea that 60 days' notice ought to be given before a strike.

But he is only for these stereotypes in the abstract. When they directly affect him and the strength of his union to extract "bread and butter" gains from management, he will quickly and determinedly line up against them. Thus, the average worker is against wildcat strikes, but let anyone use the Taft-Hartley Act to penalize him for participating in such a strike and he will outshout his leaders in condemning it as a "slave labor" law. Likewise, he hates to pay out his money in dues to a union – or to any other organization for that matter—but he hates even more the "free rider" who as a worker in the shop enjoys all the benefits of the union contract without helping to pay the cost of winning these benefits.

Again, he wants to know what's happening to the funds collected by his union, but he wouldn't want his employer to know that the union was virtually penniless and could not last through a long strike. For that knowledge strengthens the employer's hand and weakens the union's at the collective bargaining table. Nor, to cite a final example, does the average worker like to be compelled by a closed or union shop contract to remain a member in good standing in his union. But let a considerable number of non-union men begin to work in his shop and the suspicion will rise in him that his employer is out to weaken the bargaining power of his union if not to kill it entirely. Then, watch the fireworks!

The point is that the average worker wants his union to be strong so that it will win more and more for him at the collective bargaining table. If and when he sees that various provisions of the new labor law are being used to sap the power of his union so that it cannot get more for him, he will turn naturally and bitterly against the law.

2. The ORC poll did not query workers about the really vital sections of the Taft-Hartley Act. The 10 "ideas" propounded do not in actuality have much impact upon those parts of the law most crucial to collective bargaining. No question, for example, was asked about the NLRB's new duty to apply for injunctions forthwith in various types of labor disputes. To the average unionist the term "labor injunction" is like a red flag to a bull.

No question was asked about an employer's or a non-union worker's right to file unfair labor practice charges against individual employees as well as against unions. How many workers would vote approval of a law permitting employers or other workers to haul them into court over every alleged act of "coercion" or "restraint?"

3. Finally, ORC stripped each plank in its questionnaire of "legislative gobbledygook" in order to make it "quickly understandable." Unfortunately, a law as technical and complex as the Taft-Hartley Act cannot be freed of its statutory jargon without danger of distorting the provision under examination.

For example, the poll asks workers their opinion of "a law . . . to prevent Communists from holding offices in unions." Now that obviously was the intent of Congress. But it is not either the wording of the law or the necessary effect of that wording.

Only those local unions come under this provision which find it necessary to use the NLRB. Thousands of unions, well established in their plants, will never utilize the Board and will never be under any real compulsion to file the non-Communist affidavits. If they have Communist officers, those Communists can safely remain as officers. Secondly, few Communists admit that they're Communists. Most will file if their unions require them to do so, and nothing will ever happen to them. Thirdly, even if charges of perjury are brought against them it is almost impossible to prove that anyone is a Communist; recall the Harry Bridges case.

Besides, the wording of the law applies to any subversive organization aimed at the violent overthrow of the government. Labor leaders like business men are great joiners, especially of ostensibly liberal and noble causes. If they sign the affidavits, they actually sign a blank check, because they can not be certain but that some day one or another of the many organizations to which they have given their support will be identified as a Communist front.

These are some of the considerations that the informed person knows exist in the affidavit section alone of the Taft-Hartley law. But just try to jell them all into a simple and accurate question. Perhaps it can be done, but the ORC poll did not do it. And it is quite conceivable that if the average American worker were aware of all these considerations, the poll would have come out with entirely different results.

An employer, anyway, does not deal with the average "American worker" of the ORC poll. He deals with the specific workers who happen to be on his own payroll. He deals also, if unionized, with a particular union, not the abstract one implied in the poll. Astute management will find out exactly how the workers on its payroll feel about the Taft-Hartley law, especially how they would probably react if employer use of it weakened the bread and butter strength of the union. It is the opinion of these workers which counts, and the current national polls give management little inkling of what that opinion is.

More About Group Dynamics

In the October issue of Personnel Journal an editorial, "Group Dynamics", told of research in the way people behave when working together. It was pointed out that Smith behaves consistently like Smith when he is alone, but when he works with someone else his behavior is sometimes different. The exact nature of this change depends on whom he is working with. The difference in his behavior is more marked, perhaps, when he works with Brown than with Jones. Brown is much quicker and this makes Smith feel a little inferior, so he reacts by showing irritation. He is more at ease with Jones because Jones is much like himself. In recent years a growing knowledge of the effect people have on each other has led to experimentation with the interview. It is an interesting coincidence that, following the appearance of the editorial "Group Dynamics", two articles should appear in the very next issue of Personnel Journal telling of interview procedures in which the candidates effect on each other has been deliberately used. The articles referred to, which were in the November issue, are "Judging Candidates in Group Discussion" and a paragraph in "The Foreman at Philips Group", which describes the selection of future foremen in an English company. In each case the method was to ask the candidates to discuss some topic without any other direction than they could improvise among themselves on the spur of the moment. Industrial and other personnel people will be interested in experimenting further with this method of studying people "in action".

Conference Calendar

January

15–16 New York, The Biltmore.
American Management Association. Finance Conference. James O. Rice, 330 West 42nd St. New York 18.

22 New York, The Waldorf-Astoria.
National Industrial Conference Board. S. Avery Raube 247 Park Ave., New York 17.

February

1–3 Dallas, Texas.
National Office Management Association, Regional Conference and Exhibit.

2–3 Atlanta, Biltmore Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Southeastern Division. T. K. Back, U. S. C. of C., Washington 6.

2–4 Chicago, Stevens Hotel.
Office Management Association of Chicago, Office Equipment Display. Geo. Simpson, 105 West Madison St., Chicago.

4–5 Philadelphia, Warwick Hotel.
Chamber of Commerce, Industrial Relations Conference. H. L. Tolan, 17th & Sansom St., Philadelphia 2.

16–18 Chicago, Palmer House.
American Management Association, Personnel Conference. James O. Rice, 330 West 42nd St., New York 18.

20 Minneapolis, Nicollet Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Northwestern Division. T. K. Back, U. S. C. of C., Washington 6.

26–27 Los Angeles.
U. S. Chamber of Commerce, Industrial Relations Conference, Western Division. T. K. Back, U. S. C. of C., Washington 6.

What does it cost to run a Personnel Department? This question is asked continually but there is no clear answer. Here is an answer for one city and one group of industries. With all of its limitations it will be found useful.

Survey of Personnel Department Costs

By W. C. Jackson, Industrial Relations Manager, J. D. Adams Manufacturing Company, Indianapolis.

The cost of conducting various Personnel Department activities has long been a tantalizing problem to most Personnel Managers. The Personnel Department is charged with the responsibility of providing the manpower supply, developing the ability of that manpower by training, protecting its health and making it happy in its work. Since the return for conducting these activities is so intangible, the Personnel Manager is continually confronted by the problem of justifying his costs with little concrete evidence. The only sound basis is contained in the field of common experience.

In order to provide a common tabulation, a survey was conducted of many companies in the Indianapolis area. Costs of conducting various activities were collected and the data was then classified according to type of industry and averages were computed. Interesting comparisons between different types of work can unquestionably be made from these figures but the main advantage is the determination of the average expense for maintaining different functions. By a comparison of an individual company costs with the tabled values, an individual Personnel Manager has a guide to aid his judgment in conducting or proposing activities. An intelligent budget can be built up by a close study and analysis of the various costs listed in the table.

In gathering the data it seemed necessary to establish a few rules as guides to a useful outcome of the study:

1. Separate all personnel activities into a number of basic functions, such as employment and labor relations and describe each function.

2. Allocate personnel activity to these functional groups, either in dollars of payroll cost or in the numbers of persons engaged in these functions. In doing so it must be recognized that such allocations can be only approximate.
3. Be cautious in drawing conclusions from this data, realizing that differences in the conditions under which various companies operate will impose different requirements on each personnel department. Consequently, so far as possible, compare data from companies of about the same size, in the same business or industry and operating under similar conditions.

With these principles in mind, data were secured from nine companies which were members of the Indianapolis Personnel Association. The results were reported to the entire membership of the association and because of the interest thus developed the same information was solicited from the remaining members.

Figures submitted were developed by individual managers on the activities listed, defined as follows:

Employment defined as tests, supplies, and the staff including clerks for records, reception, interviewing, testing and hiring.

Wage and Salary Administration defined as job evaluation and analysis, wage survey, merit rating, rate structure analysis and the staff.

Recreation defined as the staff, equipment, supplies, prizes, entry fees, uniforms, as supported by the company.

Employee Welfare defined as personal purchases, counselling, morale features such as posters, administration of insurance and profit-sharing funds and other similar expenditures for the benefit of the employees but not including insurance or fund payments.

Training defined as the training staff, equipment, supplies, library, bulletin boards, professional society dinners, films, texts, etc.

Safety defined as the safety staff, safety equipment, educational material on safety, safety dinners and awards.

Medical and First Aid defined as the medical staff permanently employed, pre-employment and periodic physical examinations, first aid equipment, supplies and maintenance.

Labor Relations defined as the staff and charges for supplies and study or reference material but not including outside legal expense.

Cafeteria defined as that expense the company would contribute in support of the cafeteria.

House Organ defined as staff, publishing and distribution expense.

Conclusions: It is obviously an individual problem for each Personnel Manager to interpret the tabular values as they apply to his own situation. There are, however, some conclusions which are obvious on a casual inspection of the figures.

For example, regardless of the type of industry concerned, the average expense for conducting personnel activities seems to be \$45.00 to \$50.00 per employee per

SURVEY OF PERSONNEL COSTS PER EMPLOYEE PER YEAR

COMPANY	[illegible]	[illegible]	[illegible]	[illegible]	EMPLOYEE WELFARE	TRAINING	SAFETY	[illegible]	LABOR RELATIONS	CAFETERIA	[illegible]	TOTAL
					METAL MANUFACTURING							
A	[illegible]	$[illegible]	$1.[illegible]	$1.[illegible]	$[illegible]	$-----	$[illegible]	$-----	$7.[illegible]	$-----	$-----	$[illegible]
B	1.[illegible]	[illegible]	[illegible]	-----	6.[illegible]	.[illegible]	[illegible]	[illegible]	[illegible]	-----	-----	[illegible]
C	[illegible]	[illegible]	[illegible]	3.23	5.68	20.36	2.86	[illegible]	[illegible]	6.[illegible]	3.[illegible]	[illegible]
D	[illegible]	[illegible]	1.[illegible]	[illegible]	1.[illegible]	[illegible]	[illegible]	7.[illegible]	[illegible]	6.[illegible]	[illegible]	[illegible]
E	[illegible]	[illegible]	[illegible]	.62	1.[illegible]	1.[illegible]	[illegible]	3.[illegible]	[illegible]	3.[illegible]	[illegible]	[illegible]
F	[illegible]	[illegible]	[illegible]	2.32	9.[illegible]	7.02	4.[illegible]	7.2[illegible]	[illegible]	-----	-----	[illegible]
G	[illegible]	[illegible]	[illegible]	-----	1.[illegible]	-----	2.[illegible]	1.[illegible]	[illegible]	-----	-----	[illegible]
H	[illegible]	[illegible]	11.[illegible]	3.[illegible]	3.[illegible]	7.[illegible]	3.[illegible]	[illegible]	[illegible]	-----	[illegible]	[illegible]
I	[illegible]	[illegible]	[illegible]	2.1[illegible]	7.[illegible]	1.3[illegible]	1.[illegible]	8.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
J	[illegible]	[illegible]	[illegible]	[illegible]	4.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-----	[illegible]	[illegible]
Ave.	[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$4.[illegible]	$[illegible]	$[illegible]	$[illegible]	$4.[illegible]	$[illegible]	$[illegible]
					MISCELLANEOUS MANUFACTURING							
A	.[illegible]	$[illegible]	$[illegible]	$.[illegible]	$1.42	$ .41	$[illegible]	$[illegible]	$[illegible]	$-----	$[illegible]	$25.1[illegible]
B	.[illegible]	[illegible]	-----	4.[illegible]	-----	[illegible]	[illegible]	7.73	[illegible]	[illegible]	[illegible]	41.[illegible]
C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible].42	[illegible]	[illegible]
D	[illegible]	[illegible]	1.[illegible]	-----	1.[illegible]	-----	-----	[illegible]	[illegible]	-----	[illegible].98	21.9[illegible]
E	1.[illegible]	[illegible]	[illegible]	3.72	[illegible]	6.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.64	[illegible]
F	2.[illegible]	[illegible]	[illegible]	4.[illegible]	7.3[illegible]	.7[illegible]	-----	[illegible]	-----	-----	-----	[illegible]
G	.[illegible]	[illegible]	-----	.[illegible]	1.83	-----	[illegible].29	[illegible]	1.[illegible]8	10.[illegible]	[illegible]	[illegible]
H	.[illegible]	3.[illegible]	16.[illegible]	4.[illegible]0	1.[illegible]	[illegible]	6.[illegible]	[illegible]	10.[illegible]	-----	-----	[illegible]
I	.[illegible]	1.[illegible]	.[illegible]	1.00	.[illegible]	.[illegible]	.[illegible]	[illegible]	1.[illegible]	-----	-----	[illegible]
J	[illegible]	7.[illegible]	[illegible]	1.[illegible]0	2.[illegible]	1.00	.[illegible]	[illegible]	2.[illegible]	.[illegible]	-----	[illegible]
K	[illegible]	[illegible].73	-----	1.0[illegible]	9.1[illegible]	-----	4.32	[illegible]	-----	[illegible]	.[illegible]	38.83
L	1.3[illegible]	38.[illegible]	3.[illegible]	1.9[illegible]	1.[illegible]	1.26	[illegible]	[illegible]	[illegible]	34.3[illegible]	[illegible]	[illegible]
Ave.	.8[illegible]	$8.[illegible]	$[illegible]	$2.[illegible]	$3.[illegible]	$3.81	$2.[illegible]	$5.[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]
					SERVICES AND RETAIL							
A	.[illegible]	$10.[illegible]	$7.[illegible]	$-----	$2.[illegible]0	$1.[illegible]	$-----	$3.3[illegible]	$-----	$-----	$-----	$[illegible]
B	.[illegible]0	23.[illegible]	16.00	5.[illegible]	2.00	4.[illegible]	1.[illegible]	[illegible]	-----	[illegible]	-----	[illegible]
C	1.7[illegible]	21.[illegible]	6.60	2.[illegible]	3.[illegible]0	4.80	-----	[illegible]	-----	-----	4.22	[illegible]
D	.12	[illegible]3.81	-----	1.41	[illegible]3.3[illegible]	[illegible]0.00	-----	-----	-----	-----	-----	[illegible]
E	.[illegible]3	11.[illegible]	[illegible].13	.[illegible]	6.[illegible]	8.63	2.30	3.04	3.[illegible]	[illegible].28	[illegible]	[illegible]
F	1.[illegible]	7.[illegible]	3.[illegible]1	1.1[illegible]	1.1[illegible]	8.39	.29	1.[illegible]	-----	[illegible]	.[illegible]	[illegible]
G	.[illegible]	[illegible]	-----	-----	[illegible]8	-----	-----	6.[illegible]8	-----	-----	1.[illegible]3	1[illegible].[illegible]9
H	1.[illegible]	3.[illegible]	3.71	[illegible]	7.[illegible]	[illegible]	-----	-----	[illegible]	-----	[illegible]	[illegible]
Ave.	.8[illegible]	$17.[illegible]	$6.12	$2.[illegible]	$8.[illegible]	$11.79	$1.56	$3.23	$3.[illegible]8	$22.48	$[illegible]	$[illegible]
Total Average	.[illegible]	$11.[illegible]	$5.16	$2.48	$[illegible].2[illegible]	$6.34	$2.54	$5.[illegible]	$7.96	$13.20	$2.89	$[illegible]3.38

year. It would also seem to be a good rule to have the size of the personnel staff equivalent to one per one hundred employees.

One interesting comparison is in the labor relations cost between the highly industrialized group and those companies which might be faced with a considerably smaller problem in this field.

Another point; the companies which have a major problem of dealing with the public might possibly have a higher training cost than the manufacturing industries, because it requires more time to train individuals to deal with the public than to perform a mechanical operation. This reasoning is supported by a comparison of the training expenditures in the different classifications.

Finally it might be reasoned that the cost of publishing a company paper would be fairly standard regardless of the type of industry. A study of these figures indicates very little difference in such costs and that a good working average would be approximately $3.00 per employee per year to publish such a paper.

Personnel Expense Survey

Instruction Sheet

Consider these points in filling out the attached questionnaire.

Type of company: Manufacturing, Retailing, Wholesaling, Servicing, etc.

Trade line: Metals, Textiles, Wood Products, Drugs, Chemicals, Investments, Utility, Gen'l Merchandise, Electrical Products, etc.

Location: Urban (cities over 50,000), Rural.

For the activities listed, consider the amount your company spent for wages, supplies, administrative and promotional expense regardless of where you accounted for it. That is, a particular activity may not be a personnel department function in your company. If such is the case, figure the expense and note it is *not* a personnel department item.

If individuals overlap in duties, allocate a proportionate amount of their wages. If a lump sum covers several activities, approximate a proportionate estimate for each.

List the average number of employees and figure the average expense per employee per month.

Where an activity is somewhat self-supporting like a cafeteria, suggestion system, employee store, some recreation activities, etc., list only the extra expense that the company must underwrite. Do not include any allocation of expense for utilities or use of space.

How to Proceed

Obviously, few companies keep records broken down into this exact detail. This survey does not call for the involved bookkeeping research to arrive at a cost to the penny. Rather, it calls for a *considered judgment* on your part. What does it cost you to get a certain job done? Apply that question to each activity.

First: List all of your staff and their monthly wage.

Second: Assign all or a considered part to the respective jobs.

Third: Collect other available expense data and assign as required, making necessary approximations.

How to Interpret

You alone can interpret other data as it applies to you. The fact that another company spent more or less than you on a particular function means nothing unless you consider the size, type and location of that company. This survey is intended to collect the initial data and tabulate it for your personalized interpretation.

One of the most persistent and sometimes aggravating problems of production is keeping employes at work. This means keeping them well, safe from accident and willing to work. Here is a sound discussion of the problem by a leader in the personnel field.

Employe Benefit Programs

By Harold F. North, Industrial Relations Manager, Swift & Company, Chicago.*

The purpose of employe benefit programs is to help employes work continuously, efficiently and productively. When well handled, these programs help to attract better employment applicants and tend to reduce labor turnover. All modern employe benefit programs originated under circumstances which existed generations ago, and which were in many ways different than those of today. They have changed and expanded continuously under the influence of the constantly changing social, economic and political conditions of society. In their early form, such employe benefit activities as were practiced by employers in an unorganized way were largely expedient, and were devised to meet some charitable purpose or were a reward urge to the employer. Sometimes economy was the motive. For example, the modern form of medical service in large industrial and commercial organizations can be said to have developed out of the early efforts of employers to meet in the most economical way, what was at that time only a moral obligation upon them to restore disabled employes to full employment. But when employe physicians were placed on the pay roll of a company, when Workmen's Compensation Laws and Employe Benefit Associations came into existence, and when modern business recognized the advantage of preventive medical attention, we then find the development of employe medical service going far beyond its original intent. The economic and social evils of expedient attention to employe interests and needs quickly showed up in the form of unintentional discrimination and inequitable treatment through what was being provided for different employes. This was especially true as companies grew and employes became farther removed from the owner of the business. As this became apparent to forward looking employers, they set out to overcome these evils with the early forms of organized employe benefit plans. It is interesting to note how these early plans devised by many large

* [illegible] a talk given at the National Association of Bank Auditors and Comptrollers annual conference.

employers of people have since become the pattern for the modern attempts of government programs in the field of social security.

The scope of employe benefit programs includes many plans that properly may be considered as employe rights: such as management planning for employment stabilization; job training to provide reasonable opportunity to make good; promotional opportunities for those who are ambitious and whose skill and performance merits such attention; workmen's compensation law benefits; safety, health, and sanitation programs; paid vacations to provide rest and recreation time (this is rapidly becoming established as a right through the force of custom); unemployment insurance benefits that are in fact legislated dismissal allowances; and the Federal old age and survivor benefits.

There is another group of employe benefit plans that provide employes with special privileges which arise out of their employment by a certain employer: such as Employe Benefit Associations; group insurance plans; group hospitalization; insurance for surgical benefits; supplemental medical programs; the payments of partial wages and salaries during sickness and non-compensable disabilities; non-contributory pension plans or the right to participate in a contributory plan; credit unions; stock investment plans; and finally, the whole field of recreational activities in sports and other forms of entertainment. Today it is possible to find plans of one sort or another to meet almost all of the economic, social, and recreational interests or needs of employes.

Recreational plans must be considered important in any well rounded program to serve the natural urges of people to be a part of a group activity which competes with other groups; the adulation of a winner; the opportunity to entertain or be entertained. The principal problem in this field of employe benefit plans is to know when to do something, how far to go, and when to stop. A good rule to follow is to be alert for spontaneous interest developing in such matters among employes, to encourage its growth and expression when it becomes apparent, and then to give it modest financial support. And finally, require it to meet the simple test of providing adequate employe participation, entertainment for employe spectators, and assurance that it will be carried on with dignity. Extravagance in promoting and financing recreational plans must be carefully avoided, even when the interest comes from the employes, for it will be quickly recognized and challenged by them. Then, too, there is a danger of false values in employe privilege plans when they are overrated by management. This is fatal to their purpose, because it leads to paternalistic attitudes which don't "go" today, if they ever did.

Until recently, full responsibility for the administration of most employe benefit plans has been entirely in the hands of the employer. But there is an ever increasing tendency toward the enactment government plans, with the urge for more complete coverage under them; and a new trend in the direction of union demands for the setting up of plans and funds with joint union and management administration. At the same time most employes' benefit programs are financed directly or indirectly

by the employer through outright subsidy or by the levy of public taxes for the purpose.

The moral and social desirability of employe benefit programs is almost universally accepted. However, the field for their application according to standard pattern in any company is naturally limited by such factors as size of the employe group, the proportion of the sales dollar which represents the labor cost of production and distribution, and the profit position of the business. The influence of these factors gives rise to many of the variations between existing plans that are to be found in different companies and to the reasons for the absence of similar plans in many other companies. It has provided the need for some form of the government benefit programs for employed people that have been enacted, such as the benefit programs under the Federal Social Security Act. There is a danger to be avoided in government programs in that they encourage many people to rely almost entirely upon government for unemployment and old age support rather than to make sure of it through their own efforts.

Some time ago I came across a copy of an old advertisement entitled "Insurance on Life." It read "There are thousands of persons living on liberal incomes, whose deaths would leave their families utterly dependent. To such men we suggest, that the small sum of $100 invested in one of Singer's Sewing Machines will be an effectual provision against proverty for their families, in the event of their decease. The Sewing Machine in the hour of great calamity would prove a respectable, certain, and comfortable support. These admirable machines adapted to every kind of sewing are on exhibition and for sale at the office, No. 323 Broadway."

This advertisement appeared in 1853 and portrays the accepted thinking of people at that time. It offers employment opportunities even for widows with families as a means of social security. This is in contrast with much of the modern thinking which considers statute-provided unemployment income as the desirable form of social security even at a time when there is an unprecedented shortage of goods and services and many opportunities of employment for those who can work.

Now let us consider some of the problems of administration in the management of employe benefit programs. Almost at once we see the destructive influence in the hazards of modern living on programs that were devised under actuarial conditions which could not anticipate these present day circumstances. A single but outstanding example is to be found in the consequences of modern high-speed transportation. The automobile is causing disabilities in alarming numbers and we seem unable to do much about it. This has had a serious effect on disability plan costs. Many employe benefit association programs have premium rates and benefit provisions that were established under conditions that existed forty or fifty years ago and their managements are plagued today because of the changes in living conditions and the attitude of those who are insured under these plans.

The great improvement in life expectancy beyond middle age has tended to increase the costs of protection against disability; for exposure now extends over a

longer life time. Moreover, the preservation of life even in prolonged disability cases is an achievement of modern medical science. We must add to this the influence of the current inflation spiral on the cost for benefits that are provided under such plans.

There has been a distinct change in the attitude of people in their regard for the purpose of non-contributory sickness benefit plans. They used to regard such plans as something to provide only emergency deficit funds when needed. Today there is a growing attitude which considers such benefit fund payments as vested rights which are to be fully extended until the possible maximum is exhausted for each current disability. This not only exceeds the purpose and intent of such plans but tends to make them financially insecure.

What seems to be a full-scale entrance of government agencies into the field of employe benefit programs is bound to have wide-spread effect on the long range problems of administration for private plans. Some states permit unemployment insurance funds to be used for the payment of sickness disability benefits. Some even go so far as to encourage the diversion of taxes paid by both employer and employe to purchase insurance protection for employes under old-line insurance companies. The advantages for a political party that are to be found in the administration of social legislation creates a pressure that encourages it to extend both the plans and the benefits payable under them. Finally, the entrance of labor unions into the field of employe benefit programs that go beyond reasonable wages, hours, and physical working conditions is a new venture, particularly to the extent they are expecting the employer to finance the programs and yield to the unions in the administration of them. The question of how far this can be required under the law remains to be determined. Nevertheless, the attitude presents a real problem for management both in devising new plans and in administering existing ones.

All employe benefit programs should be instruments for creating, maintaining, and improving the people who make possible and operate the great industrial and commercial institutions of this country in its free enterprise system. But they should be so devised as to take care of only the extraordinary or deficit needs of people. They should be devised in the interest of serving the "profit motive" of business to secure the best qualified people to do the work and to help employes serve the legitimate needs for which the business has been organized.

Employe benefit programs so devised offer a splendid opportunity for sound and natural two-way communication between employes and managment. The responsibility of management to explain the plans fully, the act of enlisting employe participation, the payments of benefits that are payable under the plans—all provide occasions for effective communication contacts. The success or failure of employe benefit programs in meeting their real purpose and serving all interests is in a large measure determined by how well they have been communicated to people who benefit from them.

Don't sit on the safety valve! Frequent grievances indicate a fundamentally bad supervisory situation which is causing a feeling of frustration among the employees. Find and cure the bad condition—don't try merely to ignore or repress the grievances.

The Real Reasons for Grievances

By F. C. Smith

A good doctor does not prescribe merely to bring down the temperature of his patient, unless in so doing he can get at the cause of his patient's illness. The doctor knows that fever is a symptom of some disturbance; so he uses this, and as many other indications or symptoms as he can find, in locating the cause of the trouble.

In dealing with unions, management, without understanding the causes of labor's unrest, has largely concerned itself with symptomatic behavior instead of attempting to deal with the real causes of labor-management differences. For example; the employees in one department of a large mid-western mill went on strike, maintaining that a change in the production process had resulted in a decrease in pay for many of the workers. The union agreement provided that wage payments for a new job, or for a job whose content was changed, was a matter to be mutually agreed upon by the company and the union. Since this had not been done the union had a justifiable complaint. Nonetheless, a formal grievance was not developed, and the strike grew with apparent spontaneity.

A Policy on Work Stoppages

In this case management, dealing with the union only on the basis of the strike, put into effect a program which it had recently adopted called "A Policy on Work Stoppages." This policy consisted of several typewritten pages but, stripped of its explanatory material, it presented the following essential features:

1. No company representative is to attempt to settle a work stoppage until the employees have returned to work.
2. No company representative is to enter into a controversy with any of the employees.

3. Even though the union may gain nothing by the strike, it will boast of its accomplishments. Therefore, when the men have returned to work the department superintendent is to make a quiet, *true* and clear-cut statement of the circumstances. This will result in chagrin for the organizers, a drop in their prestige and will make them out as liars.

Clearly enough this policy contained no new features. It has been tried again and again with almost monotonous regularity and although it sometimes serves to get the workers back on the job it should be obvious by now that merely bringing down the fever is not going to cure the patient when the infection remains. Why, then, is this policy so readily received by management? First, since a considerable amount of their time and care is spent in planning the policy it is felt that it cannot fail. Second, if the plan does fail these men are inclined to rationalize that the fault lies not with the policy itself but in its execution. When management is confronted with a work stoppage it feels thwarted and helpless. In such situations there is an urge to strike out against that force which blocks its objectives. As one very human superintendent expressed it: "It is like my car when it refuses to run. I feel like raising the hood and pounding on the engine with a wrench."

An Unwise Policy

However, management is denied the luxury of such immature behavior. Management considers itself reasonable, practical and hardheaded, but it is also very human—although labor doesn't believe it—and so it formulates a policy which provides an indirect outlet for its frustration. Any plan which is selected after deliberate care—and this gives it a sort of "moral legality"—will be popular if it permits and encourages aggressiveness. Such a policy results at times in a temporary victory which is self-satisfying, but it does nothing toward eliminating the causes of the labor-management dispute.

Before it was adopted this policy was analyzed by a group of advanced students from The University of Chicago who were studying labor relations. They agreed as follows:

1. This policy is a form of counter-attack which might win the "war" but will not aid in solving the problem of labor's unrest.
2. Attempts will be made to discredit labor leaders. This will fail in the long run as shown by a study of the history of labor relations.
3. The policy indicates the belief that radicals are responsible for labor's unrest. Although this may be a contributing factor, experience shows that it is not usually the principal cause. (See "Who Goes Union and Why" by William F. Whyte, Personnel Journal, Vol. 23, No. 6, 1944.)

But this management has never had too much respect for the academic mind; so, with definite ingenuity insofar as the pure mechanical elements of production and business are concerned but with an equal lack of understanding of those factors

which motivate human behavior, it put its policy to work. The result: The union issued handbills accusing management of locking out the workers by refusing to bargain. The fever ran high and the union hall was filled with men who were "out to get management." On the third day the men were persuaded to return to work by the union's district officers.

During the subsequent bargaining it was revealed that only a dozen new men of the eight-hundred employees would be transferred to other departments as a result of the change in production. Also, it was agreed that no employee would suffer a loss in earnings. Instead, those men most directly affected accepted a bonus arrangement which actually increased their pay. Thus, this particular strike was settled. Since that time however, three more work stoppages have occurred in this department and numerous grievances are argued each month. Although only five per cent of all the employees of this concern work in this department nearly twenty per cent of the grievances originate there.

Release from Frustration Necessary

Let us examine another case which occurred in this department between a foreman and one of his men which illustrates the need all men have for emotional release. These two men, both being oldtimers with the company, had a rather violent argument over a little matter of no real importance and, as such things go, bitter words were exchanged. The next day the worker reported in an intoxicated condition. He had always been a reliable man and although he sometimes drank he was not an alcoholic. This was the first time he had ever been intoxicated on the job. The foreman having been this man's friend for many years did not report him; instead he let him "sleep it off."

During the several following days the foreman did not mention the incident to the workman, treating him exactly as though nothing had occurred. The worker reacted to this by attacking several other men in the department, somewhat to their astonishment, and by "blowing up" several times over trivialities. Later, the worker admitted to several men that he had been wrong in the argument which he had had with his foreman.

Instead of discussing the reasons for the workman's behavior let's take a look at his thinking. Realizing that he had been wrong in the argument he felt ashamed, guilty and resentful, and since these are uncomfortable emotions, even though they are often self-induced, they were a little more than he could absorb. As a result his resentment was directed toward that individual who, he felt, was responsible; the foreman. Illogically enough (and we must remember that human beings are not logical, but psychological) and at the risk of losing his job he "attacked" his foreman by getting intoxicated at work, saying in effect: "To hell with you! You may think I owe you something and have to produce for you just because you are my boss. But I don't. I'm independent."

It was the foreman's right and duty to reprimand the employee for being drunk at work and he could have done so without having any feeling of guilt. The employee would have accepted the reprimand or punishment as justly due him and the emotional tension would have been fully relieved on both sides. But the foreman, by refusing to react in an overt manner to the "attack" and by refusing even to mention it, blocked the worker's complete emotional release. Therefore, the worker, still needing an outlet, transferred his resentment and attacks to other employees.

Problems of Human Relations Can't Be Settled by Rules

Many management men feel that rules and regulations can be devised which will settle the problems of human relations in industry. But these problems are largely emotional and, as a result, no mere rule can cause a man to free himself from impulsive activity when he is emotionally blocked. And this activity, such as work stoppages or attacks as expressed in grievances, is a by-product of frustration, as fever is the symptom of a deeper disturbance.

Thus, those men who believe that rules and laws can be used to settle the problems of labor relations will continue to be baffled by human behavior. They are saying, in effect, that legislation can be passed which will make it impossible for an ill person to have a fever.

The important thing to remember is this: every man must have an outlet when he is frustrated or emotionally blocked. Engineers have provided boilers with safety valves which automatically release pressure well in advance of the danger point. But human beings are not so equipped and can do nothing else but "explode" using aggressive, destructive and harrassing behavior as a "safety valve."

When an employee files a grievance he may give a logical enough reason for it but the real one may be quite different. So, look for the condition or motive which really underlies the stated grievance and you will not only have the clue to the settlement of the present one but you will be in possession of knowledge that will prevent many more grievances in the future.

A study of the education and experience of eighty-four personnel executives in leading American industries and their suggestions for an industrial personnel training program and for a university course.

Survey of the Training and Qualifications of Personnel Executives

By Donald S. Parks, Personnel Director and Professor of Personnel Management, University of Toledo, Toledo, Ohio*

There has been an increasing demand in recent years for information about personnel management. This information has been desired by firms organizing personnel departments and by students making inquiries of universities as to whether courses were available which would train them for careers in this field.

Although before 1930 some companies had personnel directors or industrial relations directors, interest in this field of study has grown most rapidly in the past fifteen years. Passage of the Taft-Hartley Bill and pending legislation make it necessary for every type of concern employing more than a few individuals to have someone trained in the procedures for maintaining the productive output of their employees without numerous interruptions.

The University of Toledo has offered a personnel curriculum in the School of Business Administration since 1931. Many of the majors in this department have made marked progress in their chosen field since graduation.

Colleges and universities have often been criticized for their failure to keep in close contact with reality. To meet such criticism at the University of Toledo, a questionnaire was devised in the summer of 1947 and mailed to 147 of the leading industrial, retail, utility, and service companies in the Toledo area and throughout the United States. The University was primarily interested in finding out whether or not the curriculum as provided at the present time adequately prepares graduates for entrance into the personnel field.

The replies have been divided geographically into returns from outside the

* [illegible] compilations by C. J. [illegible], Asst. Prof. Univ. of Toledo.

Toledo area and those from within the city. This was done in order that personnel executives and organizations in the city of Toledo could make a careful study of such results as directly concerned them, their officials, and operations. Some of the questions included in the questionnaire arose out of their desire to learn of the background of their fellow workers and to learn, if possible, typical training programs which best suit young college students for entrance into the personnel field.

Analysis of Replies

Replies were received from 84 executives, who hold positions which control 1,691,973 employees. The returns on the questionnaire were gratifying inasmuch as a 59% return was realized by concerns outside the city of Toledo and a 54% return from within the city. This is a high tribute to the parties in this field who are willing to cooperate in studies of this type.

TABLE 1

Geographical Distribution of Executive Returns and Numbers of Employees Affected

Distribution	*Inquiries*	*Returns*	*Percent of Return*	*Employees*
Local	52	28	54	61,804
National	95	56	59	1,630,169
Total	147	84	57	1,691,973

TABLE 2

Geographical Distribution of Classified Industries and Employees

	Local		*National*		*Total*	
Classification	*Employees*	*Industries*	*Employees*	*Industries*	*Employees*	*Industries*
Class 1	4,833	17	8,072	10	12,905	27
Class 2	21,471	8	22,980	9	44,451	17
Class 3	35,500	3	1,599,117	37	1,634,617	40
Total	61,804	28	1,630,169	56	1,691,973	84

Participants were informed that names of companies and individuals would not be disclosed and the questionnaire was not keyed in any fashion whatsoever. Without violating any confidences, it is right to say that leading manufacturers in radio, automobiles, steel, glass, and electrical equipment cooperated in making this study possible. Since inexperienced college graduates are employed by these outstanding companies each year, it is hoped that this study may in some manner make it possible for these students to be more valuable to these and other concerns when they are ready for employment.

The study may prove of value to other colleges and universities in the establishment of curricula or the re-evaluation of those already in operation. It is also hoped that industrials may profit through a study of the training programs used by cooperating firms.

Of the 84 companies cooperating in this study, the smallest employed 170 and the largest had 280,000 employees. The distribution of the entire group is indicated in Table 2.

For purposes of comparison the cooperating companies were divided into three classifications: Class 1—those employing less than 1000, Class 2—those employing 1001 to 5000, and Class 3—those employing over 5000. Throughout the remainder of the study when any comparisons or observations are made reference will be to companies in Class 1, 2, or 3. There are 27 companies cooperating in Class 1, 17 companies in Class 2, and 40 companies in Class 3.

TABLE 3

Age Frequency Distribution of Reporting Executives

20 to 29 years of age	1
30 to 39 years of age	33
40 to 49 years of age	27
50 to 59 years of age	16
60 years of age and over	1

TABLE 4

Title Frequency Distribution of Reporting Executives

Director of Personnel	21
Personnel Manager	15
Industrial Relations Director	13
Vice-President in charge of Personnel Administration	5
Vice-President in charge of Industrial Relations	3
Director of Employee Relations	3
Assistant Personnel Director	3
Technical Personnel Director	3
Superintendent of Employment and Insurance	3
Employment Manager	2
Supervisor of Personnel	2
Supervisor of Student Recruitment	2
Production Manager	1
Service Representative	1
Plant Superintendent	1
Personnel and Customer Relations Manager	1
Assistant Secretary	1
Industrial Relations staff Assistant	1
Director of Personnel Research	1

Age of Personnel Executives

A study of the age reports indicates that companies in this study employing over 5000 have as executives individuals who average 45 years of age. Companies having an employment of under 5000 have as executives men averaging 39 years of age.

Title of Position

The field of personnel management and industrial relations, as a science, is of such recent origin that titles and terminology are not uniform. The questionnaire in many cases was sent to capable individuals not carrying the top title in this field of work. The various titles that were listed on the replies and their frequency are shown in Table 4. Although the titles of those answering the questionnaire were

diverse, in general they were one of the following three: director of personnel, personnel manager, or director of industrial relations.

Personnel Experience of Executives

From a study of the returns there are indications that companies employing less than 5000 workers have as personnel executives those who average between 8 and 9 years of experience; while companies in Class 3, those employing over 5000, have an average of 14 years of experience. Thus it would seem that companies having a larger number of employees require executives having a longer experience background in this field than do smaller companies. This may explain why there is some indication of executives in personnel work moving from smaller concerns to larger. However a study of many of the companies indicated promotions from within.

TABLE 5

Personnel Experience Record of Reporting Executives

Experience	*Class 1*	*Class 2*	*Class 3*
Minimum years of experience	1	1	1
Maximum years of experience	30	30	35
Average years of experience*	8	9	14
Percentage with over 10 years experience	46	41	59

*Average experience of all personnel executives is 11.5 years.

Educational Preparation of Reporting Executives

An analysis of the data assembled indicates that there is a definite trend towards college training as a requisite for entrance into the personnel field. As indicated in Table 6, 55 executives or 68% reporting were college graduates. With but very few exceptions, personnel people are high school graduates and all indicate that additional study is desirable. Many personnel people with additional training gained it in evening study. One comment indicating this trend follows:

> "Inasmuch as our general policy is to promote within the organization, we frequently find that those who are interested in personnel work voluntarily take special evening courses in personnel management, industrial relations, wage and salary administration, psychology, public speaking, etc., in order to qualify for this particular type of work, even though they may have completed a general college or university course."

Additional subjects covered by these executives were usually along technical lines such as psychology, labor relations, labor law, public speaking, and institutes of all types having to do with specialized personnel work. The above fields of study were pursued usually by an individual having previously studied for a liberal arts or general degree. Several executives expressed the belief that a general or cultural degree with specialized study after entrance into the field, is preferable for employees in the field of personnel management.

Several companies having over 5000 employees have personnel executives who have done graduate work. In fact, masters and doctors degrees are not infrequent among Class 3 concerns.

A study of the majors of these men while in college revealed that the majority were in the Liberal Arts College followed by majors offered in the School of Business Administration. There is also some indication that law graduates are entering the field of personnel management for law majors or degrees followed that of Business Administration. Firms employing technical and research personnel indicate a preference for their personnel workers to have science or engineering degrees. The minors selected show some trend towards psychology and social sciences but indicate no definite pattern.

TABLE 6

EDUCATIONAL FREQUENCY DISTRIBUTION OF REPORTING EXECUTIVES

Educational Level Completed	*Class 1*	*Class 2*	*Class 3*
Grade School	1	1	0
High School	6	1	3
College Freshman	1	0	0
College Sophomore	3	1	4
College Junior	4	1	0
College Graduate	12	14	29

It is to be remembered that most of these executives attended colleges and universities before specialized curricula of this type were available. Perhaps a similar study of personnel people a few years from now might indicate more specialized majors as these become more frequently available in colleges and universities.

MOST VALUABLE COLLEGE SUBJECTS

The most valuable subject for present practicing personnel men is psychology, which enjoyed a wide margin of preference over the second subject, economics. Following in order of preference is English, labor law, and business management. The remaining choices were so scattered that no distinct pattern can be observed.

The statements below were typical responses to this question:

> "It is very important that, in addition to basic personnel studies such as personnel management, labor problems, industrial management, emphasis be placed on training to analyze problems, be able to get all the facts, understand human nature, make good decisions, and then be able to sell these decisions to management."
>
> "All courses or units which help to understand people."
>
> "Post graduate course in Statistics was essential and that subject should be mastered by all."
>
> "Generally engineering principles and a background of some law studies have proved to be very valuable. Any educational process that teaches an individual to 'think' to a logical conclusion is a great asset."
>
> "Case method of study in law school which developed ability to analyze facts and situations and apply principles to facts determined."

Work Experience Preceding Present Position

Positions which practicing personnel executives have held since leaving school vary greatly. The greatest frequency occurred in the following order: sales, production supervisory work, employment positions, and teaching. Most of the positions indicated that they had carried responsibility and demanded initiative. Although a variety of work experience is indicated in the replies, the experience is of the type to prepare an individual to handle the varied duties demanded in personnel work.

Suggested Training Programs for New Employees

Actual experience or familiarity with the departments of which the personnel man is eventually to have supervision is considered a pre-requisite by most of the personnel executives today. Sales, utility, and retail sales companies indicate that new college employees should perform types of work which would bring the prospective personnel worker into contact with the public.

Manfacturing units on the other hand indicate the new employees should have training in the following departments which are listed in order of frequency: manufacturing processes and procedures, sales accounting, engineering, office work, and all departments of a large personnel division including such departments as safety, time and motion study, employment, etc. Other departments mentioned included traffic, maintenance, and credit.

Representative responses suggesting training programs are quoted below:

> "When we hire a man from outside the company for personnel work, ordinarily we put him in the shop, working at a regular occupation for several months, or even as long as a year. We want him to learn shop practices, customs, jobs, occupational base rates; and most of all, to learn to like and to be able to get along with shop people."
>
> "Depending upon his studies, the length of time in the various departments would vary—program should take 1 to 2 years for complete coverage."
>
> "Start on office routine, advance to interview or hiring clerk after making study and written report on various positions in plant. Write-ups made from observation."
>
> "Have him get experience in every department in the plant. Give him a knowledge of office procedures."
>
> "Start at the bottom as 'Assistant Chemist' and work for a period of not less than three years at all jobs in the plant."

College Graduates Preferred for Personnel Work

Fifty-six of the units reporting, or 66% of them, stated that they preferred college graduates for personnel work in the future. Only one unit indicated that they did not prefer college graduates, while 25 stated no preference. This would seem to indicate that high school graduates considering personnel or industrial relations

work as a career in the future should obtain college training as a part of their preparation.

Work Experience Required before Hiring for Personnel Work

Companies are placing increasing emphasis on work experience of applied nature or factory experience in various departments of their own or other factories preceding introduction into personnel work. The larger companies placed emphasis on the ability to handle and get along with people, whereas smaller concerns stressed recent work experience in the factory.

Companies in Classes 1 and 2 indicate work experience in factory, office, and selling to be of greatest aid. Units in Class 3 stress the importance of dealing with people, teaching, supervisory training, company college-training programs, and general survey programs.

Responses which aided in the above conclusions:

> "I believe that anyone contemplating personnel work should take a position as salesman for a period of time and also should work as a factory laborer for a period in order to: first, learn how to meet people, and second, better understand some of the workers' everyday problems and to get a better perspective of industrial operations."
>
> "For anyone preparing for personnel management I would suggest that they be advised to work at as many occupations as possible during vacations. This will give them invaluable education on the problems of the men they will deal with in personnel work."
>
> "Dealing with people (teaching, coaching, sales, etc.). The person should have been a supervisor."
>
> "Experience in one or more of the major operations departments such as engineering, operations, or traffic."
>
> "If experience in personnel work is meant, no. Many types of work experience, if known to the personnel manager, can be utilized as a basis for training in personnel."

Affiliations

The professional organizations to which practicing personnel executives subscribe membership are many and varied. All indicated membership in local personnel associations and Class 3 companies also indicated membership in such organizations as American Management Association, Society for the Advancement of Management, National Industrial Conference Board, and various local chapters of national Service groups.

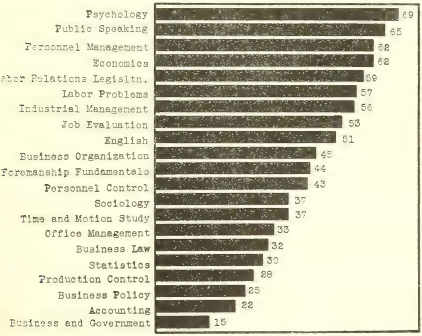
Class 1 and 2 units have members in some of the above mentioned organizations but tend to emphasize in addition to local personnel groups, the Foreman's Club, Chamber of Commerce, and Service club affiliations. Indications are that personnel men must keep affiliated with these organizations not only for local contacts but to keep abreast of the ever changing ideas of theory and practice in modern personnel management.

UNDERGRADUATE SUBJECTS CONSIDERED ESSENTIAL FOR PERSONNEL MAJORS

This information was requested for the purpose of comparing present curriculum at the University of Toledo with the suggested requirements of practicing personnel executives. To that end the executives were asked to rate in order of preference the subjects they considered to be of most value to college students who planned to find employment in the personnel field. The executives' cooperation on this question was high and the results as indicated in Chart 2 should be of great aid to college and university officials planning or re-evaluating a personnel curriculum.

TABLE 7

REPORTING EXECUTIVES PREFERENCES FOR A PERSONNEL MANAGEMENT CURRICULUM



In many cases practically all subjects were thought to be of value, whereas other ratings included five or ten subjects. The comments following the question were pertinent and indicated that these executives had given thought to the program they would suggest.

At the University of Toledo we are fortunate in having a large percentage of their selected subjects included in our curriculum. However on the basis of the suggestions made by the executives recommendations are to be made by the head of the department to include most or all of their preferred subjects.

Many of the executives expressed the belief that a liberal arts or any other curriculum which trains individuals to understand people, get along with others, think clearly, express themselves through speaking techniques and written form has the requisites for personnel work. They maintain that the special techniques of personnel can be acquired easily and quickly after they have entered into employment within the industry. This is evidenced by:

"Companies, I've found, rarely employ young graduates directly into personnel work. Such men in personnel get into that type of work as a result of aptitudes apparent after employment. I doubt the validity of educational institutions attempting to train young men specifically for personnel work, and do not recommend that colleges attempt it."

"We prefer an A.B. or B.S. student, well rounded and mature who has had some prior work experience to the student who has concentrated on 'personnel' courses."

"Objective should be to provide a broad cultural background plus a background for management. The personnel techniques are secondary. The value of particular sciences will be partially determined by the nature of the business."

"Personnel offers such varied types of problems that practically any subject taken in college sometime finds application in Personnel work."

There is agreement with the thought, however, that specialized personnel courses can be taught by universities and are the correct preparation for college graduates intending to enter personnel work. This is evidenced by:

"I believe the finest training one can have for personnel work is as an industrial engineer, with graduate study in personnel administration. I consider time and motion study a dangerous plaything for a non-technician. There are many good personnel men buried in this field, as is the case in cost accounting. The courses I have marked above are nice to have, but no combination of them will produce a professional person, recognized as such. On the other hand, training as an industrial engineer will."

"It is extremely difficult to screen good from bad in single courses aiming toward personnel administration. This, together with the fact that 75% of the students majoring in this field know only that they 'like to work with people,' has caused the utmost confusion in setting up curricula. For one solid year I spent 25% of my time dissuading people from entering this field who were clamoring for enrollment at a university. To the others I recommended industrial engineering."

"I would suggest that undergraduate work should consist of liberal academic courses with a minimum of personnel or business courses. The technical or industrial relations and related courses should be taken as graduate work."

While encouraging schools offering specialized curricula, these statements should also interest all schools in the fact that personality development, extra curricular activities, and some things not necessarily developed by college training, are considered by many executives to be of greater importance than college subjects.

The graduate or specialized study thought necessary by many modern executives is indicated as follows:

"A course in the conference method of training personnel would be highly desirable and of untold benefit to the applicant."

"It would be wise to consider all personnel majors for a co-operative

program requiring outside employment as an undergraduate requisite for a degree. This should not be in personnel work but some job that requires getting along with people—bosses—laborers—clerks—executives, etc. Preferably factory work for men."

Many industrials select their trainees for personnel work with the type of organization for which they are to be trained in mind rather than general characteristics. Engineering concerns and chemical industrials apparently look for extrovertive graduates in the field in which the industry specializes. Rather than look for "personnel majors," they therefore select students who have average or better training in the field, and who like people, express themselves easily, and are extrovertive in personality.

However, until more colleges and universities develop personnel and industrial relations fields of specialization, and until graduates from these fields enter into employment with many American industries, the question as to whether or not an individual in college planning to enter the field of personnel management should take broad cultural courses or a specialized personnel curriculum probably will not be answered.

Conclusions

This survey was undertaken in an attempt to determine what types of training, education, and qualifications practicing personnel executives have had and what type of educational training experience they believe to be desirable for a student wishing to enter the field of personnel management.

The ages of personnel executives at the present time show no definite trend as to age requirements and size of company. Extremes of age were found in all sized companies and some of the largest concerns had rather young executives. This would seem to indicate that this field is fairly young, and because the turn-over is rather rapid, personnel people must be alert and well-informed as to changing trends. The age of most executives is within the year brackets 35–45. There is some indication that the largest companies are promoting industrial relations and personnel directors to the rank of vice-presidents.

The number of years in personnel work seems to be a factor in determining the fitness, capacity, or ability of an individual to hold positions in this field in companies employing over 5000. Class 1 concerns had executives with 8 years average experience; Class 2 concerns, 9 years; while Class 3 concerns averaged 15 years. This would lead to the observation that large concerns have had personnel work as a part of their organization for longer periods of time than had smaller concerns and by promotion from within it was now possible for them to have executives with this much experience to their credit. These large units today have as executives men who had been active in the field of personnel management in the early 1930's. They must have either promoted these men from within their own organization or ac-

quired them from other units who have not been able to retain men with this much experience.

Present-day personnel executives have had as their work experience practically every type of job known, preceding their present positions of responsibility. These have varied from office boy and grocery clerk to engineers, church officials, teachers and lawyers.

Training programs for the new college employee have in common the suggestion that each should be assigned to as many departments within the company as will be necessary for him to effectively operate in his personnel position. These training programs vary in that scientific companies suggest non-scientific departments whereas general processing companies indicate departments other than that of production. These programs suggest that a company wishes the new employee to know of as many departments and operations within the company as will be necessary to fit him for many phases of personnel work. Most large concerns today prefer college graduates. Where a diploma is not required the individual must have outstanding qualities of ability and initiative.

The majority of the companies prefer their people to have had some work experience before entering personnel work and where that is not possible they usually provide it before the trainee is assigned a position in the personnel department. The type of work experience desired varies with the type of employing concern. There are however some exceptions. Sales units often look for candidates with factory experience and production units many times look for candidates with sales experience.

As curricula are being developed in colleges and universities the personnel men suggest that the following subjects should be included in such a program: psychology, public speaking, personnel management, economics, labor relations legislation. The next five subjects in order of preference were labor problems, industrial management, job evaluation, English, and business organization. On the other hand, a sizable minority express no interest in the above specialized subjects but prefer graduates with a cultural background, extra curricular activities, and work experiences to their credit. These executives maintain that the specialized techniques of personnel can be acquired through training in the company. In conclusion I quite from a well-known service company employing over 31,000:

> "A student interested in personnel employment should place the greatest emphasis on those activities which teach him the importance of and give him the ability to work with people individually and in groups; secondly, he should associate with those who have an adequate social philosophy, that is, one in keeping with the best aims and traditions of the country; thirdly, he should learn to read and write, using those terms in the broadest sense; fourth, the student should acquire a comprehensive background in the social and political sciences; and fifth, he should gain what specific information he can by a proper combination of academic study with work experience."

How well are you managing the human assets of your business? You are aware that your success depends greatly on having the best possible person in every job, and especially in executive jobs. Are you making effective use of that science which deals with the field of human relations—psychology?

Psychological Evaluation of Executives

By Edward N. Hay

Labor turnover continues to be one of the more aggravating problems of industry. Some personnel people think that a leading cause is unrest and instability in the working population. Others say that industry itself is chiefly to blame by neglecting to manage its manpower problems properly. Some criticisms are; failure to upgrade employees wherever possible; neglecting to train foreman to have a better appreciation of human values; failure to make use of modern, scientific methods of psychological evaluation of applicants and employees; inability to eliminate maladjusted executives and supervisors; and generally failing to do a good job in utilizing its human assets.

Success in mass undertakings is the result of the effective cooperation of every participant. Now, who is it that has made a scientific study of the behavior and characteristics of people? The psychologist, of course. In industry this psychologist is one who is trained in all the scientific methods of psychology and who is familiar with the processes and working conditions of business and industry. He knows man's inner thoughts and desires and he knows how these thoughts and desires respond to the requirements and conditions of industry. He is trained to evaluate man's abilities, aptitudes, interests, skills and personality against the requirements of jobs in industry. That is, he knows how to fit the man to the job. Then, why should industry overlook the rare skills of these highly trained scientists, whose knowledge has been accumulating for decades? The best answer to this question is that not all industrialists are doing so. M. M. Olander, Director of Industrial Relations at Owens-Illinois Glass Company, is one of the forward-looking personnel men who is seeking every possible means for making effective use of the knowledge of industrial psychology. Recently he said that for some time he has had two mature and experienced industrial psychologists in the Owens-Illinois

plants and now he has added five younger psychologists. These five young men are spending their first period learning about the conditions of work in industry. As they gain in their understanding of industry they will commence applying their psychological knowledge to industrial problems.

When psychology is mentioned most people in industry think only of testing applicants, whereas testing is only one of many places where the industrial psychologist is useful. Among these are—besides evaluating people in employment and promotion—the training of interviewers, employee morale, supervisory training, safety, incentives (especially nonfinancial incentives), inspection, vision, merit rating methods, fatigue and efficiency, attitudes and other things found in unsuspected places. Many industrial personnel people also fail to understand that there are a dozen different kinds of psychologists, some who are useful in industry and some who are not. Some of these other "fields of psychology" are, for example; experimental, physiological, abnormal, clinical, animal, developmental, educational, social and many more. Actually, all of these fields have a common core and the various fields are really areas of specialization. One of the most promising but difficult applications of psychology to industry is in the use of the clinical method. This is the method of individual diagnosis by personal interview by means of which the psychologist determines that his subject possesses certain characteristics such as emotional stability. He can also measure the subject's level of abstract intelligence, the nature and extent of his motives for success, his "insight", or his understanding of the motives and behavior of others (and of himself), his social skills for dealing with people, his ability to organize, delegate and supervise other people and their work, and many other qualities and abilities. Obviously, a person who can do all of these things well must be a perceptive and highly trained individual.

This clinical method is the same method that interviewers use, although few interviewers have the necessary skill to make accurate estimates of the persons they interview. Indeed the interview is the most important but the most unskillfully used personnel method. Unfortunately, good interviewing cannot be taught by books, or by people who lack the skill themselves.

An interesting example of the industrial psychologist using the clinical method will illustrate the point just made. This psychologist, a consultant in management, was retained by a Baltimore company to analyze their management and operations. Management, of course, is people; so the consultant was evaluating the people as well as the structure and operation of the whole concern. In his first hour "on the lot" he spotted two executives whose behavior, he remarked, indicated that they were in trouble. His great sensitivity to outside impressions made him aware of the situation, and his skill in following the slightest clues enabled him to diagnose the nature of the trouble. A few weeks later he was asked to make a written report on these two men and some others who were also "problems."

The case of one of these men will illustrate the method and its results. This executive was in charge of a department of about seventy-five men and women performing a somewhat complex clerical operation where the work moved through the department very rapidly and on a schedule. Confusion and crisis in the department were evidences of his inability to plan and direct the operations or to understand how to handle the employees. This condition had so frustrated him that he had been taken sick repeatedly. The company had sent him to physicians, psychiatrists and psychologists and he had recently returned from a three-months rest. Yet he continued to have trouble and the department was frequently in turmoil. The consultant reported that there was nothing the matter with this executive that could not be cured by assigning him to a routine job where there would be no complex problems to solve and where he would not have to supervise people. His difficulties were the result of two things; he lacked the mental ability to solve the complex problems of the department—not enough IQ; and he had no insight whatever—no understanding of people and their motives. He was assigned to a routine job where there were no complex problems to solve and no one to supervise. His "cure" was practically instantaneous and in the four months since his transfer he has not had any difficulty and has not missed a day from work.

Unfortunately, there are very few psychologists who have the skill that this particular man has. It requires a very unusual combination of knowledge; an intimate acquaintance with industrial processes and with the working methods of management, plus years of study and training in several fields of psychology. Nevertheless, it is evident that this kind of skill is urgently needed in order to help assure the most effective use of human talent and reduce the emotional strains that are so common wherever people work together. It is a kind of skill that is especially needed in better selection, placement and training of executives.

The Editor Chats with His Readers

One of the largest American corporations liked Dr. George W. Taylor's article in September Personnel Journal so much that they asked permission to reprint portions of it in a confidential letter which circulates among operating executives and supervisors. They specially liked his definitions of conciliation, mediation and arbitration, saying "It is our belief that many people do not realize the distinction between these terms, and the clear definitions which we quoted from your magazine should, we feel, be of value to our supervisory people."

A reader sends this comment from a friend who for years has been using psychological tests to help in the selection of his very efficient staff. He said to my correspondent, "When you hire a man you are taking on an obligation which will mature in twenty to forty years. The man who hires without testing, solely on the old "interview cum references" method, may be compared to an investor buying a bond because (a) it looks pretty; (b) some friends of the salesman say it is a good buy; and (c) some other bonds I have bought this way in the past have turned out all right. So he buys his bond and he hires his applicant—not knowing how well he will do the job or how promotable he will prove to be before he is ready to be retired."

Recently the employees of Pitney-Bowes, Inc., of Stamford, Conn., received a large sheet on which was printed the chart of the whole organization. The memorandum accompanying the chart said, in part,

> "Attached is your copy of our first complete organization chart. With it, we can see the company as a whole for the first time. And each one of us can find ourselves in terms of any organizational unit or staff job—at home or in the field.
>
> "This organization chart is obviously an important internal relations instrument, with many uses beyond the primary one of showing functional relationships and the flow of line and staff authority. For example: department heads and branch managers can use it to make points at group meetings and in indoctrinating new employees. It can be a helpful tool for illustrating the role each of us plays on the PB team.
>
> "Incidentally, there are several features about this chart that are either new or noteworthy. For one thing, note that it includes stockholders (most charts start with the corporation's top officer, forgetting its owners). For another, it is the only chart we know of which shows direct contact with the president's office for elected employee representatives (through the joint employee-management Industrial Relations Council)."

The article "Shop Grievances—The Human Approach" by F. C. Smith, which appeared in PERSONNEL JOURNAL for September, has attracted an unusual amount of attention and has been copied or extracted from by half a dozen other publications. The most recent one is "Notes and Quotes" for November, the newsy digest of employee relations material published by the Connecticut General Life Insurance Company, which circulates widely among personnel people. Mr. Smith has another interesting article on grievances in this issue.

Alvin Dodd probably is known by more personnel and labor relations people than anyone else. Certainly he has directed personnel conferences with a greater total attendance than anyone else. There will be general satisfaction among people engaged in personnel work, therefore, at the announcement by the American Society of Mechanical Engineers of the award to Alvin Dodd of the 1947 Gantt Memorial Medal for "distinguished achievement in industrial management as a service to the community", for "his leadership in stimulating greater recognition and acceptance of the social responsibilities of management and for his success in building the American Management Association into an authoritative forum for collecting, analyzing and disseminating management knowledge." That's a mouthful but Alvin's friends will endorse every word of it.

Radcliffe College, Cambridge, Mass., has announced that a limited number of Graduate Fellowships, covering part or all the tuition fee, are available to a few, carefully selected women for the academic year 1948–49. The Management Training Program includes seven months of class instruction given by members of Harvard University and the Graduate School of Business Administration, and three months of full time apprentice work in business, government and other organizations. The course is planned for young women intending to work in personnel departments and in other administrative work.

"A Fair Wage By Job Evaluation" is the title of a sound-slide film developed by Thadene Hayworth at the M-G-M Studios in Hollywood. She says "Our film grew of an experience at the M-G-M Studios in which I conducted a survey of clerical and office jobs, about 700 in all. The company decided to take the story of the survey to all employees. For the conference we designed a series of 15 posters in black and white and color, to explain the survey purposes, methods and results. In 30 minutes I found I got more real understanding, from all levels of employees, than I had ever obtained in one and a half hours of discussion without visual aids. The film is intended to be used by companies with any type of job evaluation plan. We have found the visual aids approach as effective for showing to top management and supervisors as to employees. Companies could show the film and then go on to explain their own evaluation plan and procedure. We have publicized the film to

date only on the West Coast. After the film is released, approximately December 1, we will make a decision as to what to do about its Eastern release." It sounds very interesting. Thadene Hayworth and Associates are at 5855 Hollywood Boulevard, Hollywood 28, California.

Here are several remarks on the "new" PERSONNEL JOURNAL: Wesley B. Warren of Delta Air Lines, Atlanta says, "We enjoy this publication very much and look forward to receiving it each month."

Mr. Clifford Berg of Rockford, Illinois, says, "Glad to see shift to research-based articles. Had previously intended dropping subscription."

Mr. J. C. Fairchild, Personnel Manager of Colonial Stores, Inc., of Norfolk, Virginia writes, "Congratulations on your 'Conference Calendar' and many other improvements you are making in the PERSONNEL JOURNAL."

and Mr. Henry G. Pearson of Wayland, Mass., says "The new lease on life which the JOURNAL has taken is most encouraging. It now has a very real personal touch, which is so absent from most of the current publications in any field."

The National Office Management Association writes that non-members may buy the 1947 conference "Proceedings" at $5.00 each from the Headquarters at Lincoln-Liberty Building, Philadelphia 7, Pa. This volume is size 8½ x 11 inches with 144 pages of material comprised of twelve addresses, mostly on office management matters. Some of the articles are much better than others, though probably no such conference was ever of evenly high quality. A good one is "Selection and Development of Supervisors", by Earl G. Planty, Johnson & Johnson Co.

VARIETY IS THE SPICE OF LIFE

One of the tasks of an editor is to provide a reading fare that has variety as well as quality. Let's look at the list of subjects that have appeared in PERSONNEL JOURNAL in its first months since the new editor took hold with a promise of "revitalization". Here is the list for September, October, November and December, and January:

Page	*Subject*	*Title*
		September
87	Labor Relations	Better Methods in Labor Relations
92	Interviewing	Interviewing Veteran Engineering Graduates
95	Grievances	Shop Grievances—The Human Approach
104	Information	Informing Employees
109	Collective Bargaining	Industry-Wide Bargaining
116	Personnel	More on Personnel Administration
		October
127	Research	Research Needed in Personnel Administration
13[illegible]	Merit Rating	Employee Performance Rating
136	Collective Bargaining	Negotiating the Collective Bargaining Agreement
144	Interviewing	Validity of the Placement Interview

The editor thinks this is quite varied fare and of very good quality. What do the readers think?

Book Review

PERSONNEL WORK IN SCHOOLS OF NURSING

By Frances O. Triggs

W. B. Saunders Co., Philadelphia and London, 1945

As the title indicates, this book deals with the personnel work in schools of nursing and is presented in four parts:

Part 1 is a brief summary of physiology and psychology as related to human behavior and adjustment.

Part 2 covers a counselling program which includes educational, personal, and vocational counselling, as well as a description of the techniques employed.

Part 3 is devoted to a description of testing programs (specifically, the testing of abilities necessary for success in the profession). It includes complete information on several representative tests for use in a personnel program, as well as a chapter on record keeping and sample forms.

Part 4 illustrates the foregoing principles by relating the story of a student nurse.

The author has the rare ability to convey complex situations and techniques in a clear simple style, and obviously knows her subject thoroughly. She succeeds admirably in making an urgent need felt, i.e., the necessity for wise, skillful, and competent counselling. This book is recommended as an excellent text to those who would effectively lead and supervise nursing students.

RICHARD N. BUTLER

SITUATIONS WANTED

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TRAINING DIRECTOR—Formerly in charge Supervisory Training in plant of over 12,000. Capable of installing new training dept. or managing existing one. References. John H. Hoag, 251 Harrowgate Rd., Penn Wynne, Phila. 31, Pa.

ASSISTANT—Seeks position in job evaluation, wage administration or Industrial Relations. B.A. in psychology. Age 26, female. Two years experience in job analysis and classification, employee rating in all types salary depts. including engineering. Box 3, Pers. Jour.

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PERSONNEL SITUATION WANTED by young man, 34 years old. Wide experience. Excellent background. Now resident Montreal. Bilingual. Box 11, Pers. Jour.

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PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, EDWARD N. HAY. Secretary, D. D. HAY

Volume 26 *Number 8*

Contents for February 1948

EDWARD N. HAY, *Editor*

D. M. DRAIN, *Circulation Manager*

Four Labor Developments To Watch

Is the Taft-Hartley Act working out the way its supporters claimed it would? Or is it the "slave labor law" the unions declare it to be? Despite the wild claims made on each side of the fence, the fact is that no one knows. It is too early for the statistics put out by the NLRB to have any meaning (even NLRB Chairman, Paul Herzog, has admitted as much); the conclusions some wishful thinkers draw from them each month are merely fancy theorizing on the basis of a scanty and completely unrepresentative sample of firms, unions, and individuals.

The actual effect of the Labor-Management Relations Act upon unions and management will not be known until four developments have run their course. It is upon these developments that management should focus its attention before evaluating in its own mind whether the law is working successfully or failing miserably.

1. The most important of these trends is business conditions. Industry and labor are not going to be in a hurry to rock the boat as long as everyone is benefiting from prosperous times. Wholesale exploitation of the Taft Act by either management or the unions to get the better of the other side either at the conference table or on the picket line or in the courts is not likely to come until a depression ends the era of "let's leave well enough alone." Then the great majority of managements may be compelled by sheer force of circumstance, if nothing else, to use whatever tools the Act gives them to lower labor costs by weakening the unions in their plants. Many unions will then be under pressure to counter-attack by using every device given them by the Act, and by the right to strike, to make life miserable for the employers who adopt such tactics.

If declining employment, prices, and profits bring in their wake a general turning by employers to the help that the Act gives them in a fight against their unions, a host of NLRB cases and court tests will quickly strip the law to its essentials and reveal its effect upon industrial relations.

2. The new law is more favorable to unions which are already strong than it is to weaker ones. One immediate effect is to handicap attempts by unions to organize non-unionized plants. Union organizers now work for the first time under the fear that the workers they are trying to persuade into joining their union, or the employer whose plant they are attempting to organize, will file unfair labor practice charges against them. Whenever such charges are filed and complaints subsequently issued by the Regional Directors of the NLRB, considerable delay will probably ensue before a NLRB representation election is held.

The hazards of organizing work are thus increased under the new labor law—whenever employers or unorganized workers choose to exercise to the full every right given them by the Taft Act. Hence, perhaps the first effective measure of the impact of the Act is likely to come in the field of organizing. Will employers

use the Act to frustrate organization? Will the unions counter with new and more militant tactics?

The answer already appears to be "yes" to both questions. Organization work by the unions has come to a virtual standstill since passage of the law. Where organization work is continuing, the unions are more prone than ever before to strike to obtain recognition than to await the results of a NLRB election. But the real tale will not be told until the momentarily shocked union forces regroup and once again begin one of the great organizing campaigns which have brought union membership from less than 3,000,000 in 1933 to over 15,000,000 today.

3. The third signpost to watch is the month of August 1948. In that month expire all the closed and union shop contracts signed between enactment of the new labor law and its effective date (for most of its provisions), August 22, 1947. Then will arise the first wholesale test of whether American labor will submit to the outright ban on the closed shop and the restrictions on the union shop contained in the law. Until that date an uneasy peace reigns over the question of union security in most unionized plants.

Meanwhile the unions are preparing for the grand assault. Just what the character of that assault will be and what alternatives it will leave management are as yet unknown, although current strikes and NLRB cases begin to illuminate the future faintly. But the clash that can then occur may well make or break the Taft Act.

4. The fourth development to heed is the relationship between weak unions on the one hand, and, on the other, strong managements which are hostile to the principle of collective bargaining. If the latter use the provisions of the act to help kill off the former, the final result can only be to inflame the entire labor movement. Strong trade unions cannot afford to sit idly by while their weaker branches are chopped off one by one by hostile managements.

These four guides to understanding the significance of events under the Taft Act reemphasize the conviction of most employers that good human relations are made in the plant and not by legislation. They know too that well-established unions are too strong to be dismembered by anything comparable to the new labor law. Hence, they may firmly intend to eschew actual recourse to the Act as much as possible without directly violating either its spirit or any of its specific provisions.

Unfortunately for them, in the tough competitive days ahead, and especially if a depression should hit this nation, these "good" employers may not be able to maintain these policies. For, if the lunatic fringe in industry should use the Taft Act to weaken unionism and lower wages, the employer who really believes in the principle of collective bargaining may be forced to junk his beliefs in order to stay in business. Chaos in union-management relations and, as a remedy, more government intervention in management, will be the inevitable results.

Fallacies in Job Evaluation

In spite of all that is known about effective job evaluation many specialists in this field persist in repeating statements about procedures of evaluation that can only be characterized as fallacious. The comments made here are not to be regarded as in any way personal, nor are they to be considered as criticisms of job evaluation itself, or of any particular method of evaluation. An otherwise excellent talk on job evaluation by Ralph H. Landes, an engineer of Western Electric Company, Chicago, contains several fallacies which are quoted here, followed by critical comments. His statements are contained in a publication of The Society for the Advancement of Management, Chicago Chapter, entitled "Job Evaluation in the Office"; a reprint of a talk made before the chapter on October 17th, 1947.

1. On page 4 he says; "We found that with these twelve attributes we were giving a well-rounded-out consideration of all the factors which ordinarily enter into non-supervisory office jobs."

Mathematical factor anaylsis of the point values obtained by many different job evaluation plans shows, in all cases, a high degree of agreement between the points assigned to most of the factors. That is, the various factors are duplicating each other. Lawshe, in reports published in the *Journal of Applied Psychology*, and in *Personnel*, gives actual data in a number of cases. He shows that the same evaluation can be obtained by 3 or 4 factors as with the eleven factors used in the hourly-rate job evaluation plan of N.E.M.A. or the similar one used by the Metal Trades Association. He shows clearly that job evaluation plans do not need eleven factors. Obviously, it is wasteful to use that many when three or four will give the same result.

2. On page 6; "We have found that it takes from one to three years to adequately train engineers to make accurate job evaluation."

Some specialists in job evaluation train evaluators in from three to six *weeks*. In a nationally-known sugar refinery company a Union-Management evaluating committee began evaluating satisfactorily four weeks after training by a specialist was begun. In a famous company in the food business evaluation of high salaried executive positions was under way in a month. In both cases the final results were entirely satisfactory to the organization. Many more such examples could be given.

3. The statement just quoted refers to "engineers" as the ones who are trained in evaluation.

There is no need to use engineers for evaluators. In fact, engineers are often the wrong kind of people for evaluation, because of the human relations part of the problem of job evaluation. Best results seem to come when evaluation is performed by people who are close to the operations the jobs of which are being analyzed, such as supervisors or senior non-supervisory employees. In the case of salaried jobs it works best if they are valued by persons at or above the level of the jobs being evaluated. At General Foods Corporation, for example, the $30,000 to $50,000 jobs

were, quite naturally, evaluated by officials at or above those salary figures. Jobs from $5,000 to $10,000 were valued by committees comprised partly of members with salaries nearer to those figures. In clerical installations to about $5,000 the lowest salaried jobs are often valued by a "Junior Committee" and the upper third or half by a "Senior Committee" of higher-ranking members.

4. On page 7; "The engineer is now ready to score the job."

The author is evidently operating in a situation in which one specialist assigns the point values. It is true that the scores are to be "submitted for staff and line approvals." But in the best methods the values are assigned by a group of analysts, usually from four to twelve in number. Each analyst determines the point values separately and submits his opinions to a chief analyst who collates them on a single sheet. Then a meeting of the group takes place for the purpose of reaching agreement on any differences. This means substituting group judgment for the estimate of one individual. The approval of line authority is then sought, and usually also that of a higher committee. Extensive experience shows conclusively that group judgment gives more accurate evaluations and ones which are more acceptable to everyone concerned; that is, to the employees who occupy the jobs and their supervisors.

5. On page 7 reference is made to a data sheet on which the engineer "gives his reasons for arriving at the score," and going on to say that such a record is important "especially if you are operating under Union conditions."

Again, experience shows that a better way of satisfying the union is to have all evaluations performed by a joint management-union committee. Then there can be no subsequent dispute on the proper point value of a job, since the union and management have already agreed on it. Of course, jobs can be reviewed on the request of either group, but there are many installations which were done this way and have continued to operate successfully thereafter.

Many similar fallacies about job evaluation appear from time to time and seem to be widely believed. The Editor will be glad to publish comment, pro and con, on what has been said here and to receive more "fallacies" for publication and comment.

Conference Calendar

February

1–3 Dallas, Texas.
National Office Management Association, Regional Conference and Exhibit.

2–3 Atlanta, Biltmore Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Southeastern Division. T. K. Back, U. S. C. of C., Washington 6.

2–4 Chicago, Stevens Hotel.
Office Management Association of Chicago, Office Equipment Display. Geo. Simpson, 105 West Madison St., Chicago.

4–5 Philadelphia, Warwick Hotel.
Chamber of Commerce, Industrial Relations Conference. H. L. Tolan, 17th & Sansom St., Philadelphia 2.

16–18 Chicago, Palmer House.
American Management Association, Personnel Conference. James O. Rice, 330 West 42nd St., New York 18.

20 Minneapolis, Nicollet Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Northwestern Division. T. K. Back, U. S. C. of C., Washington 6.

26–27 Los Angeles.
U. S. Chamber of Commerce, Industrial Relations Conference, Western Division. T. K. Back, U. S. C. of C., Washington 6.

March

4–5 Fort Worth, Blackstone Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Southwestern Division. T. K. Back, U. S. C. of C., Washington 6.

4–5 Chicago, Continental Hotel.
Society for the Advancement of Management, Spring Conference on Management Controls. Carl S. Coler, Exec. Dir., 84 William St., N. Y. 7.

11–12 New York, Waldorf-Astoria Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Northeastern Division. T. K. Back, U. S. C. of C., Washington 6.

15–16 Chicago, Morrison Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Northern Central Division. T. K. Back, U. S. C. of C., Washington 6.

18–19 New York, Waldorf-Astoria Hotel.
National Industrial Conference Board. S. Avery Raube, 247 Park Avenue, New York 17.

Most managements have a lot to say about the foreman and supervisor being "part of management." Here a first-line supervisor points to some of the gaps between what management says to the foreman and supervisor and what it actually does, and tells what supervisors want from management.

What Supervisors Want

By E. M. Selfe, Supervisor, The Detroit Edison Company.

The supervisor in industry has been the most discussed individual in the country for the last few years. He has been termed a member of management by some managements; a "traffic cop" by some unions; a "Middle man" in need of a bargaining agent by those desirous of separating him from both labor and management. In all of this discussion, very little has been said or written by the supervisors themselves as to what they consider their status, or what they desire and expect as employes on the one hand, and as supervisors and leaders on the other.

For the past few years the writer, a first-line supervisor, has had the opportunity to work with supervisors of all levels from assistant foremen to presidents of companies. He has worked with them as an instructor; as a co-worker; and as a member of professional organizations where the promotion of professional ethics was the primary objective. From this wide experience, he will try to present the aims and hopes of supervisors on the lower rungs of the management ladder.

The Supervisor Wants Six Things

First, the supervisor desperately wants to be a part of management and share the responsibilities to which he believes he has been appointed. He wants his share of management to be real and active. He wants his statements about his employes, his products, his work, and his problems to be respected and taken seriously. Too often he feels his opinions are overridden at a higher level without due consideration of the facts he has presented.

Second, the supervisor wants to be a real part of management socially. He has read and been told that one of the steps to promotion is to associate himself with men of superior position in his company, but unless the men on the higher levels invite

him to share their society he can not barge in and force his company on them. This desire applies to noon-hour and company activities and not to personal activities.

Third, the supervisor wants the same respect from the men above him that he expects from those under him. He wants to be treated as a man and not as the lever of a production machine.

Fourth, the supervisor, where union shops are in operation, wants to be heard in the appeal boards and not by-passed. He feels that he is very definitely on the spot when an aggrieved employe appeals his decision and appears before a higher authority along with his steward, at which hearing the supervisor is not allowed to appear. If the employe is upheld, and the decision of the supervisor is reversed, there is always the feeling that his side of the case was not properly presented.

Fifth, the supervisor wants to be told that he is improving or slipping, as the case may be, and if slipping, what he can do to arrest his descent so that he can correct his errors and move upward. When he is doing well, he wants to know what the normal channels of promotion are just as his workers want to know what the next job is for them. He wants definite information. He wants to know what his superiors regard as his deficiencies so he can improve himself. In this respect he would like to receive the same treatment that he is expected to give to his subordinates.

Sixth, the supervisor wants a real voice in the selection of his workers. He does not want to have to accept transferees who have been sources of trouble in other work areas. If he is responsible for the work of his section, he wants liberty in the selection of employes.

The Gap Between Promise and Performance

All too often there has been a wide discrepancy on the part of corporate managements between the verbal acceptance of many of the points cited here and their practice. Some examples of these discrepancies will serve to emphasize the points better than any amount of theorizing.

Example 1: In a company in which the president was very much awake to the needs of supervision and had spent much time, effort, and money to bring his management team to a realization of these needs, the following statement was made by a management man to another of lower rank, "You know that the foreman is being overplayed and that the president is only kidding himself." This statement could well negate all of the work performed over a period of months to create a management team.

Example 2: In many companies which have their own restaurants we find tables reserved for certain management groups, and almost always the groups gravitate by rank. This practice becomes routine and causes the difference in rank to appear social as well as managerial.

Example 3: I have heard supervisors say that they could not get an idea accepted because they were not sufficiently important in the line organization. Such a situation, whether real or fancied, must result in much loss to the companies in which it exists. During the war, particularly, many money saving suggestions originated with first-line supervisors as well as with workers.

Example 4: While supervisors are being trained to compliment their work force for work well done and inspire them with praise, many of them feel a lack of the same consideration for themselves. I know many men in managements' ranks who have not had a personal compliment for years. During the same period, however, they have always been advised of any faulty performance.

Example 5: Not long ago a management friend of mine was forced to accept an employe who had proven unsatisfactory in other work areas. While it may be advisable for transfers to be made to aid employes, it is felt that the supervisor should assent to the placement if any real good is to result.

Example 6: Supervisors of lower rank can have little success in winning the cooperation of workers when they hear major executives make such statements as, "Wait until there is a depression and we'll whip these so and sos into line." Further, this type of philosophy undermines the supervisors' own sense of security as he does not know who is to be whipped into line.

Team Work Needed

In conclusion, it is my opinion that much of the friction within management could be removed if everyone from the president down would think as a team rather than in levels of rank. Rank is an essential of operation but not the final line of demarcation of intelligent thinking.

Many managements have done a lot in this direction and have achieved improved morale as a result. The greatest single element needed for the success of a management program is the *sincerity* of every one in the line.

No program for the improvement of worker morale and labor relations can be effective until the morale of the supervisory staff has been made secure. If the conditions discussed in this article are properly handled, a real step will have been made towards solidarity of management and towards improved work performance.

Although I am a supervisor in The Detroit Edison Company, the examples used are not from that company. The management of my company has long been alert to the problems discussed and is one of the progressive companies of the country in promoting and maintaining good supervisory relationships, both within management and with the workers.

The most satisfactory and effective decisions are usually those which are arrived at by the democratic process, in which every group with a responsibility for the matter in hand is represented. Here is the story of how a manufacturing company used the democratic process to advantage in annual negotiations for the labor agreement.

Collective Bargaining—Grass Roots or Ivory Tower

By Harvey T. Stephens, Director of Industrial Relations, International Resistance Co.

In view of the history of collective bargaining as it has been carried on over the past centuries between individuals, groups and nations, it seems strange that collective bargaining between employer and employee should be considered as something unusual. What is still more unusual is that management representatives responsible for collective bargaining are so often unskilled in this method of barter. The purpose of this article, however, is not to review the evolution or the historical significance of collective bargaining but to show it can be used more effectively by those management representatives responsible for employer-employee relations.

Social Skills and Technical Skills

Recent years have seen a flood of books, articles and speeches advocating better human relations in industry, not alone for their social and moral values, but as a means of developing a more profitable enterprise. Many employer and union managements subscribe to these advanced views in employer-employee relationships. However, many still consider collective bargaining as an economic arena in which they test their respective strengths. Our modern industrial civilization has its social as well as economic implications, so that it is unfortunate that man's development and use of social skills has lagged so far behind his development of technical skills. If we acknowledge this lack of social skill and agree that most collective bargaining agreements deal with more than the economic standards to be observed within a company it becomes reasonable to expect that social skill as well as economic competence should be a prerequisite to successful collective bargaining.

While this article is concerned with the improvement of management's skill, it is certainly important to observe in passing that the pressure for political survival by union leaders and the sacrifice by unions of local objectives for a national union pattern do not tend to create a favorable atmosphere for improved collective bargaining in the local situation. We should certainly be concerned with our lack of progress but not discouraged, particularly as we review the progress of employer-employee relations during recent years. Nothing gets less publicity than a happy marriage, while the papers are full of the comparatively few that fail. Labor relations can certainly be placed in the same category.

All Elements of Management Should Be Represented

It is my belief that management's representatives at the bargaining table should represent *all* of management. A bargaining committee composed of a small group of top executives who have not consulted with their front-line management (the foremen and supervisors) is inadequately prepared and in a poor position to bargain with the greatest effectiveness. The "Ivory Tower" negotiators who have bargained without the advice of front-line management often agree to contract provisions which make the foreman's job more difficult. Such "strategy" as settling for a few cents less than demanded by the union in exchange for a straight-jacket seniority system, which limits the foreman's management of his department and stifles individual employee initiative, is certainly not brilliant bargaining. A foreman who receives a newly negotiated contract that actually makes his job for the coming year more difficult will not be happy with the leadership that provides such direction. While it may be true that the foreman cannot decide the amount of wage increases which the company can afford to pay, he is certainly in an excellent position to determine the kind and importance of those items for which wage increases or other economic benefits shall be exchanged. The management which spends time and money to train supervisors in the skills of dealing with people and neglects to avail itself of the results of this training is receiving only a partial return from its training investment. How can Ivory Tower negotiators reach the grass roots of front-line management and tap the unused resources of valuable opinion—opinion not only about what's good for the management of the company, but what's good for the company in the way of the desires of employees who may not be adequately represented by the union committee. These negotiators can also commit the sin of contractual "taxation without representation." The following is a brief outline of a program which has operated with some success in a medium-size company dealing with an affiliate of a large national union. This program operates throughout the contract year and involves participation of all levels of management. The six-step procedure which is outlined in the following paragraphs can be adopted in any company with minor revisions.

A Six-Step Procedure

(1) *Review of Past Experience by Operating Foremen.* All foremen are furnished with a notebook-size copy of the union contract. This contract notebook is used by the foremen throughout the year to record their successes and failures in dealing with the various provisions of the contract and contains enough space so that they may make notes for changes or improvements. Two months prior to the scheduled negotiating date each general foreman and the Industrial Relations Manager meet with that general foreman's group of foremen to discuss their last year's performance under the present contract. A complete record is made by the Industrial Relations Manager of all suggestions. This may appear to be a very simple step, yet the author knows of one large manufacturing concern with more than 8000 employees in which not more than five copies of the contract are available to management and those copies are kept very securely hidden in the desk drawers of tip-top management.

(2) *Pooling Opinion. Composition of Negotiating Committee.* When each general foreman has completed his foremen's meeting, all comments received are assembled by the Industrial Relations Manager together with the suggestions which have been submitted by staff departments concerned with the procedural aspects of the contract (Payroll Department, Time Study Department, etc.). Copies of all of these proposals are mimeographed and forwarded to the members of the Management Negotiating Committee which is composed of the following personnel—general foremen who represent the manufacturing foremen; the Mechanical Superintendent who represents the maintenance foremen; the Production Manager who represents the foremen of indirect manufacturing operations (Production Control, Shipping, etc.); Industrial Engineer; Industrial Relations Manager; the Works Manager who is chief negotiator. This committee, which varies in number from eight to twelve, meets under the direction of the Works Manager to formulate the next step.

(3) *Contract Planning.* The Management Negotiating Committee holds a meeting to consider all comments and suggestions received from the manufacturing foremen and staff departments. Out of this planning step, which requires several meetings with intermediate times for drafting of agreed upon articles, comes the final rough draft of the proposed contract changes submitted to the company's Operating Committee and legal counsel for approval. Included here are the results of studies conducted by the Industrial Relations Department on area wage levels; union objectives, etc. The committee, with its draft of the contract complete, is now ready to bargain.

(4) *Negotiations.* The entire committee meets with the Union Negotiating Committee. The company chairman, who is the only spokesman for the group, presents the proposed contract, one article at a time. I do not intend to write at length concerning the methods of bargaining, except to mention in passing two points.

1. All changes in agreed upon objectives, except where they are of a minor nature, are reached after agreement on the part of the Negotiating Committee in recess or in between regular meetings of the bargaining committees.

2. After each negotiating meeting, information which can be released to foremen without endangering the future progress of the negotiations is cleared and general foremen are instructed to release this information to their Foremen.

(5) *Explanation—Interpretation.* After the contract is completed and signed, copies are mimeographed and distributed to foremen and supervisors. Shortly after distribution, the general foremen and the Industrial Relations Manager meet with each general foreman's group to discuss how and why the contract reached its final form. In this meeting new or changed clauses are discussed to provide uniform interpretation.

(6) *Day to Day Operation.* The final step in this continuous chain of activity is note-keeping on the part of the foremen in which they record their success or failure and suggestions for improvement. These notes and comments are readily available when one year later it becomes necessary again to take step one with the advent of union contract negotiating time.

When a company follows this or a similar procedure all of management is participating in collective bargaining and all levels of management will then have a better appreciation of the efforts expended and objectives obtained. This procedure does not guarantee a perfect contract. It does, however, help to increase appreciably the understanding between management levels and will result in a more practical working agreement.

Accident prevention is dependent on psychological and physiological factors as well as on safety engineering and education. Most accidents are caused by people who are "accident prone," including some who are only temporarily so. Here is a practical report on the problem by a psychologist who has had extensive industry experience.

Psychological Factors in Accident Prevention

By Alfred J. Cardall, Management Consultant

Safety engineering, safety education and accident prevention traditionally have been considered engineering functions. Whether they will remain there or become a part of industrial relations activities depends on a realization of the true cause of most accidents. As long as an organization feels that the approach to accident prevention lies primarily in machine design, machine guards and the physical safe-guarding of hazardous areas, allocation of the responsibility to engineering is logical. More and more, management will realize that physical conditions are not the determining factor in accidents but that accidents are essentially a psychological problem; a matter of *symptomatic behavior* of the individual. Then the need for reallocation to a department specializing in human relations will be perfectly obvious.

There is increasing appreciation of the fact that accidents are principally attributable to carelessness or to improper placement of individuals. It is not the machine which should be regarded as hazardous so much as the individual who is operating that machine. Only occasionally do the elements which cause accidents occur outside of the individual himself. Considerable progress has been made in accident prevention through better control of causes *outside the individual*. But the next major attack, and one of much greater promise for its final results, lies in consideration of the *accident proneness* of an individual. Carelessness, of course, is a training problem, but accident proneness is a problem in selection and job placement. Both are normal industrial relations functions.

Many Accidents Can Be Predicted

The cost of industrial accidents is staggering. In addition to this economic loss, the cost in loss of life and misery makes us wonder why more professional attention

hasn't been directed to the problem. There were 2,230,000 industrial accidents in 1944, according to the Bureau of Labor Statistics, which resulted in a loss of $43\frac{1}{2}$ million working days. Put another way, the productive effort of a million workers was lost for two months. Accidents outside the plant can cripple productive efforts just as effectively and add to the lost-time total. In spite of the enforcement of lower driving speeds, for example, the rate of automobile deaths will reach a higher figure in 1947 than before World War II. Concentration on driving speeds and road hazards hasn't improved the situation and there is no justification for continuing to disregard the psychological makeup of drivers. Accidents in the home have gone up also and the removal of all cellar stairs will not cure the situation. That some of these accidents are unavoidable should not blind us to the fact that *the vast majority of them can be predicted* and *to the extent that they can be predicted, they can be avoided.*

The most important thing, then, for management to know about "accidents" is that very few are accidental. Every man involved with supervisory or personnel functions must learn to regard so-called accidents as *symptomatic behavior* of an individual. To be sure, accidents can be precipitated by sudden or unusual situations or through the fault of a fellow worker, but in the main the greatest single cause for accidents lies within the individual's own psychological makeup.

Psychological "Shortages"

Psychological "shortages" such as lack of dexterity, slow reaction time or emotional instability lead inevitably to accidents. In cases of accident proneness it is never a question of *whether* or not an individual will have an accident, but merely *when.* Accident proneness can be either general or specific. In some cases these "psychological shortages" are so marked that an individual is unsafe in work situations involving even the simplest tools or machine operation. Even material handlers and cleaners who appear to be accident prone can become hurt in seemingly impossible ways. Many people have specific shortages which may make them unsafe in particular work situations but a satisfactory risk in others. In these cases, improper placement can precipitate accident proneness, with only one result.

Perhaps it is rank heresy to place the blame for these accidents squarely on management's shoulders. It is much more comfortable to shrug the shoulders, buy a new can of red paint, or design a machine-guard that may do nothing more than slow up production, than it is to overhaul methods of selection and proper job placement. However, the inference that most industrial accidents are either hired at the gate or created by job misplacement opens a whole new area in the field of accident prevention.

The history of accident prevention work parallels the technological development of industry itself. Just as industry has stressed the development of new machines, new processes and methods, so has accident prevention concentrated on

machinery safeguards, good housekeeping and the marking of hazardous areas. The worker has been regarded as only incidental to machine operation and it has been only logical that his psychological makeup has been equally disregarded in accident prevention. Every organization of any size spends a great deal of money in maintaining a competent engineering staff, but its personnel work may be left to a misplaced salesman or a superannuated line supervisor. Machinery, building and equipment are carefully maintained and new methods of preventive maintenance developed, but the human assets of an organization are somehow left to drift on their own.

Emotional Factors in Accidents

Management must learn to regard accident prevention as primarily a by-product of good selection and placement. The industrial relations man, properly trained for his job, does not decry the excellent work that safety men have done in cutting down accidents; but at the same time, he is beginning to recognize that an even greater responsibility falls on him. This newest view of accident prevention is that it is largely a by-product of proper selection and placement, professionally planned and carried out. To be sure, not all cases of accident proneness can be detected through the tests now available and few interviewers have the clinical skills necessary to fill in the gaps. Some of the responsibility, therefore, for detecting accident proneness through behavior observation on the job must fall to the supervisor. It is essential that the supervisor be trained in the recognition of symptomatic behavior which contributes to accidents because, in addition to his early conclusions as to an individual, he must recognize temporary emotional instability as it may occasionally arise in an ordinary accident-free employee. Such behavior throws a "shadow" and what a foreman may recognize as Molly "fighting her job" with a half-muttered and unlady-like oath, can easily be the prelude to an accident. A good supervisor is constantly on the alert for these emotional forerunners and if the operations under his supervision are classed as somewhat hazardous, his first check in the morning and immediately after lunch should be the "emotional tone" of each employee.

This type of observation becomes the sole responsibility of the supervisor, for while the employment office can sometimes catch the tendency towards considerable emotional fluctuation in an individual, they can't get them all and occasional fluctuations occur in even the most normal person.

The foreman has a right to expect that the employment office will attach a tentative rating to a new employee indicating the degree of that individual's *general emotional stability*. Interviewers who have developed adequate clinical skills can also estimate the probable *range* of emotional fluctuations, although they cannot indicate when and where the dips may occur. Remember, too, that even an emotionally well-adjusted individual is subject to dips under certain circumstances. These changing moods are essentially the responsibility of the supervisor who must learn to

recognize an emotional "shadow" which foretells the increased possibility of an accident. Many supervisors have become adept at recognizing the signs of emotional stress and in changing a work assignment which has become hazardous. The word hazardous, incidentally, must be recognized as being equally descriptive of the individual as of the job. For, after all, an individual to be *safe*, must be *psychologically safe!*

Measurable Elements in Accident Proneness

Emotional stability is by no means the only factor in accident proneness but it is the one which fluctuates and the one which is most difficult to detect in the interview. Unfortunately, to date there is no simple, short emotional stability test available, nor is there likely to be one until we have discovered something else to replace the questionnaire type. It is fortunate that there are some simple aspects of accident proneness which are stable and easily measured. For example, critical scores can be set both for a general risk, or for a specific job risk below which *manipulative dexterity*, *rhythm*, *reaction time* and *visual acuities* are predictive of accidents. The point is too obvious to stress; that if accidents can be predicted they can be prevented. To be sure the foreman must depend on the personnel department for test results, but if he understands the nature of the psychological factors, he will better understand why in many cases an employee should be limited to certain types of work and cannot safely be transferred to other jobs in which the critical points of selection are higher than those he possesses. Let's look for a moment at some of these simple aspects of accident proneness.

Manipulative dexterity is a characteristic which can be easily and quickly measured within a few minutes. Scores, determined by the speed with which an individual does certain simple tasks with the fingers, will indicate where an individual stands in respect to people in general in this factor. It is perhaps the most important single predictor in the selection of industrial employees who will be working on simple short-cycle repetitive operations. In a machine-paced operation, for example, it is evident that the machine itself may determine the minimum amount of finger skill and agility that is essential in the manning of the machine. A lesser amount is a substantial bid for an accident. If an accident of this kind can be predicted, it can be prevented.

Rhythm and Reaction Speed

Rhythm has a similar relationship to machine-paced operations. Roughly, it may be defined as the extent to which an individual senses and slips easily into the "pulse" or "beat" of a job. Absence of it characterizes the individual who "fights his job" or the one who is not subconsciously correctly meeting the timing intervals of the modal points in an operation cycle. Rhythm is not necessarily a character-

istic of hand operations alone; higher coordinations or integrations of rhythm are common in industry. For example, a kick press combines the rhythmic interplay of hand and foot sequences. One of the reasons why this comparatively simple machine has apparently been one of the most dangerous, is due to the frequent lack of integration of the operator's hand and foot rhythm. If the foot follows through when the hand rhythm is broken, an injury to the finger is the likely result.

Reaction time is still another factor which is brought into critical prominence in machine operations. Many machines are provided with quickly accessible controls so that the machine can be stopped if there is danger either to the work or the operator; but the speed with which the machine is stopped does not depend upon this device but on the speed with which the operator hits it. The tremendous variation in reaction time of people is readily apparent to anyone who has driven an automobile in traffic. It may vary from two-tenths to eight-tenths of a second. It is the reaction time of an operator which has far more significance in stopping a car than a few miles an hour difference in speed. Two or three minutes of testing time in a properly equipped employment office, combined with a knowledge of the critical reaction time needed on any machine, would save many accidents. Speed of *perception* or the speed with which an individual attaches meaning to things happening around him, also has its critical point. As selection skills and scientific aids are added in the employment office, tests can be added to take care of this factor. The predictive significance of tests now available in this area does not justify the same emphasis as on *dexterity*, *rhythm* and *reaction time*; but it should not be overlooked in the furthering of accident prevention through proper selection.

Good Vision and Accidents

Industrial vision is a subject of increasing importance and therefore it is startling to the trained personnel man to note the almost complete lack of attention paid to it. In nearly all plants today the trained observer will note case after case of varying degrees of industrial blindness and other visual disabilities of which apparently neither the foreman nor the individual are aware. To be sure, most physical examinations include a vision test which measures vision at twenty feet. There is, however, little relationship between vision at 20 feet and vision at 20 inches. A test for far-point acuity actually eliminates many people with excellent near-point acuity who would have been the best possible placement on close and precise work. Or conversely, it can result in placing a far-sighted individual on a job calling for close and accurate depth perception. Many accidents, too, have occurred because of the limit in the peripheral range of an individual. He may be able to see satisfactorily with one eye and be nearly blind in the other. Such an individual does not feel particularly handicapped in most of his work, because binocular vision (two-eyed vision) is the same as that of the dominant eye. It means, however that he often fails to see things on his blind side before it is too late. Unstable phorias (eye muscle balance) are a further cause of accidents in such work as drill presses.

Accidents Which Can Be Predicted Can Be Prevented

These are the essential things which are quickly and easily measured and which have a high predictive significance in accident proneness. Again, let us repeat, accidents which can be predicted can be prevented. In court, "ignorance of the law is no excuse" and similarly in modern industrial operation, ignorance of methods so readily and cheaply available is no excuse for accidents attributable to psychological and physiological deficiencies.

The "psychological profile" of a job indicates not only the quantitative demands of psychological factors necessary for satisfactory job performance, but also the extent of these factors needed for *safe performance*. Deviations from these threshold requirements, from the production point of view, are of course only an indication of poor management. From the safety point of view such deficiencies represent nothing short of criminal negligence on the part of the employer.

Accident prevention today should not be regarded as a single isolated problem. Rather, it is a carefully planned-for by-product of good selection and placement and of proper initial job training. It is a normal personnel function and the analysis of lost-time accidents is merely another way of evaluating the effectiveness of industrial relations men *within their normal functions* and of supervision in carrying out their own personnel responsibilities. The cost of accidents is infinitely greater than the cost of preventing them, even if human life and anguish do not count.

This unusually well-selected reading list will be useful when it becomes necessary to find the right reference to a labor problem in a hurry. Also it will be a good reading guide for anyone trying to supplement his knowledge in labor problems, or who is "breaking in" a beginner in the labor relations department.

Labor Problems; a Bibliography

By Bert W. Levy

This carefully selected bibliography was prepared for a course in Labor Problems at the University of Pennsylvania, in the School of Social Work. It was chosen by a lawyer with considerable experience in labor matters who is now specializing in labor work, including frequent and often extended contract negotiations with union leaders on behalf of his clients. It will be valuable to many personnel and labor relations people because it gives an excellent cross-section of the best literature on the subject and because of the interpretive notes on each item. These notes make it easy to discover what each item deals with, which will facilitate quick exploration of any particular problem. The list of references is divided into logical groups, as follows;

History
General Labor Economics
Sociological Aspects
Union Structure and Policies
Collective Bargaining
Law and Government
General and Background
Special Problems
- a. Union security
- b. Seniority
- c. Collective bargaining by supervisors
- d. Wages

e. Disputes and settlement

f. Management "rights"

g. Industry-wide bargaining

Periodicals

Information Services

Research Organizations

Ed.

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NOTE: Items marked * are regarded as "basic"; an indication that the item is considered the best single source of the maximum amount of information in its category.

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Outstandingly documented.

*Millis, Harry A., and Royal E. Montgomery: *Organized Labor* (Vol. III of "Economics of Labor") (McGraw-Hill, N. Y., 1945)
The fullest and best all-round work to date.

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A widely-used text.

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A sympathetic, short presentation by a learned authority, unfortunately not brought up to date but brilliantly conceived.

Ware, Norman J.: *The Labor Movement in the United States* (Appleton, N. Y., 1929)
Rather comprehensive study by a principal exponent of the "historical approach" to labor problems.

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The standard, and still the best, work on the subject.

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Good, generally accepted text based on the "labor market" theory.

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Slightly unorthodox and soundly considered approach.

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The quest for a higher absolute living standard as pursued by organized labor, its implications for and its effects upon our national economy. Sympathetic but sound.

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Little-known but eminently readable and vital "casebook" resulting from pioneering practical research.

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Case problems bringing out sociological aspects, broader in scope but less convincing in conception than above.

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Appraisal of the human problems caused by the advent of unionism in the shop, the establishment of collective bargaining relations, the administration of agreements thus reached and the industrial adjustments attendant thereon, with solidly grounded observations on the types and methods of approach to their solution. The author is an eminent leader among the psycho-sociological analysts. Major portions of the book have appeared as articles in the Harvard Business Review over the past two years.

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A careful and authoritative study of union rules and policies and their development through collective bargaining, with particular attention to their effect on management methods, efficiency and operations.

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Readable delineation of tactics, policies and structure of American unions, ten years old but still essentially definitive.

*Northrup, Herbert R.: *Organized Labor and the Negro* (Harper, N. Y., 1944)
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Elementary information, attractively proffered.

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SPECIAL PROBLEMS

Note: Most, if not all, of the problems specially set forth below are treated to some degree in the more general works which have been listed above. For example, there is a well-presented plea for the union shop in *The Dynamics of Industrial Democracy*, by Golden and Ruttenberg, as well as more objective discussion of that and other types of union security clauses in the various general texts like Daugherty, Teller, etc. Again, there are discussions of "industry-wide" bargaining in almost any sizeable work on labor relations, including the economics texts. The instances could be readily multiplied. The following references, therefore, are specific and limited, and should not be regarded as anything like exclusive.

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Examination of NWLB position on this issue, as it has developed.

b. *Seniority*

Seniority (Natl. Assn. of Mfgrs., Industrial Relations Dept., Management Memo #1, N. Y., June, 1946)
Surprisingly detached brief review of seniority systems, provisions and problems. Not generally available.

*Harbison, Frederick H.: *Seniority Policies and Procedures as Developed through Collective Bargaining* (Princeton Univ. Dept. of Economics and Social Institutions, Industrial Relations Section, Research Report Series 63, Princeton, 1941)
Excellent impartial study of seniority systems and fundamental problems, unfortunately difficult to obtain.

c. *Collective Bargaining by Supervisors*

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Review of the nature, legal status, goals and problems of foremen's organizations. Both sides are fairly and adequately presented.

The Supervisor (Foreman's Assn. of America, Detroit, 1942—)
Official Publication of the F.A.A.

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Matter of Jones & Laughlin Steel Corp., et al., 66 NLRB 386, 17 LRRM 304 (March 7, 1946)

Matter of Packard Motor Car Co., 64 NLRB 1212, 17 LRRM 163 (Dec. 7, 1945)

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Dickinson, Z. Clark: *Collective Wage Determination* (Ronald, N. Y., 1941)
Economics and sociology of collective fixing of wage levels.

Incentive Wage Plans and Collective Bargaining (U. S. Dept. of Labor, Bureau of Labor Statistics, Bulletin No. 717, Washington, 1942)

**Guaranteed Wages* (U. S. Office of Temporary Controls, Washington, 1947)
Report of Advisory Board, OWMR, to President. Directed by Murray L. Latimer.

e. *Disputes and Settlement* (See also works listed under "Law and Government")

*Updegraff, Clarence M., and Whitley P. McCoy: *Arbitration of Labor Disputes* (Commerce Clearing House, Chicago, 1946)

Comprehensive work on all phases of the subject by two well-known and enormously experienced arbitrators.

Simkin, William, and Van Dusen Kennedy: *Arbitration of Grievances* (U. S. Dept. of Labor, Division of Labor Standards, Bulletin No. 82, Washington, 1947)

Short analysis and exegesis of types of grievance arbitration systems, how they operate, their advantages and limitations, and some suggestions as to the nature of the arbitral process. Clearly and closely written by two eminent local arbitrators of the "younger set."

Lapp, John A.: *Labor Arbitration: Principles and Procedures* (Natl. Foremen's Institute, Deep River, Conn., 1942)

How to Handle Labor Grievances (Same, 1945) Two works by an "old-school" arbitrator on the history of grievance handling, present systems, principles and problems, from the practical viewpoint.

Hiller, E. T.: *The Strike—A Study in Collective Action* (Univ. of Chicago Press, Chicago, 1928)

A study of the strike as a sociological phenomenon.

Strikes and Democratic Government (Twentieth Century Fund, N. Y., 1947)

Report and recommendations of the Fund's Labor Committee, on recent history and development of collective bargaining as at least a partial strike-deterrent or -adjustment institution.

Labor Dispute Settlement (Law and Contemporary Problems, Duke Univ. Press, Durham, N. C., Spring, 1947, Vol. XII, No. 2)

A first-rate symposium on various aspects of the subject, and from all principal points of view. Non-legalistic throughout.

f. *Management "rights"*

Teller, Ludwig: *Management Functions under Collective Bargaining* (Baker, Voorhis & Co., N. Y., 1947)

Discussion of the extent to which management's "right to manage" is and should be qualified by or made the subject of collective bargaining, with the legal, social and economic implications thereof, in the author's characteristic style.

Watt, Robert J.: *Labor's Aims and Responsibilities* (3 LRRM 1118, BNA, Washington, 1939)

Address by late American Workers' Delegate to the I.L.O., on labor's ideas of its long-range place in our society, particularly as regards impact on industry and invested capital. Mr. Watt was International Representative of the AFL, and an original labor member of the NWLB.

Hill, Lee H.: *Safeguarding Rights of Management* (14 LRRM 2664, BNA, Washington, 1944)

Address by former Vice-President of Allis-Chalmers Mfg. Co., to 27th Annual Industrial Conference, Silver Bay, N. Y., 7/28/44. Outlines union methods of attack on management "prerogatives" and states views on management's retention and exercise thereof.

Bergen, Harold B.: *Management Prerogatives* (Harvard Business Review, Spring 1940, pp. 275–284)

Brief theoretical discussion of the nature and application of the subject.

Gomberg, William: *Union Interest in Engineering Techniques* (Harvard Bus. Rev., Vol. XXIV, No. 3, Spring, 1946, pp. 356–365)

Littler, Robert M. C.: *Managers Must Manage* (id., pp. 366–376)

Two articles presenting opposite positions on the proper scope of collective bargaining. The first, by the Director of the Management Engineering Dept., I.L.G.W.U., deals with the union's voice in time study, rate-setting and kindred matters. The second, by an attorney representing employers, decries the encroachments upon management "prerogatives" being effected by collective bargaining and suggests some counter methods.

g. *Industry-wide bargaining*

Budish, J. M., and George Soule: *The New Unionism in the Clothing Industry* (Harcourt, Brace, N. Y., 1920)

Describes development of industry-wide concept of collective bargaining in the subject industry, its status and effects.

Barkin, Solomon: *National Collective Bargaining* (Personnel Journal, Vol. 25, No. 5, November, 1946, pp. 150–160)

Fairly general treatment of the larger unions' viewpoint, by the Research Director of the CIO Textile Workers' Union.

Emery, DeWitt, and Jerome I. Udell: *Should Collective Bargaining Be Limited to Local Areas?*—A Debate in Print. (Modern Industry, Nov., 1946)
Pro and con by industry representatives.

Feller, Alexander, and Jacob E. Hurwitz: *How to Deal with Organized Labor* (Alexander, N. Y., 1937)
Chapter 6 of this 664-page general work discusses the origin and growth of multi-employer bargaining and some problems and effects which it has created.

Hamburger, L.: *The Extension of Collective Agreement to Cover Entire Trades and Industries* (Internatl. Labor Rev., 40: 153–194, Aug. 1939)
Comprehensive presentation of background, development, mechanics and social and economic importance of extension of collective agreements. Not confined to U. S.

Jones, Thomas Roy: *The Scope of Collective Bargaining* (American Management Assn. Personnel Series No. 81, N. Y., 1944)
The author's point is that employers may have to resort to group bargaining—dangerous in itself to laissez-faire economy—in order to combat continuing encroachments by unions upon their management "prerogatives."

Lester, Richard E., and Edward A. Robie: *Wages under National and Regional Collective Bargaining* (Princeton Univ. Dept. of Economics and Social Institutions, Industrial Relations Section, Research Report Series 73, Princeton, 1946)
Study of experience in seven industries, concluding that the group bargaining technique has proved favorable.

Taft, Philip: *Economics and Problems of Labor* (Stackpole, Harrisburg, 1942)
Chapter XXI, pp. 646-664, and Chapters XXIV, XXV and XXVI, pp. 714–819, describe systems in five industries and discuss the role of employers' associations in the light of present trends.

Taylor, George, W.: *Wages and Industrial Progress* (In "The Conditions of Industrial Progress," Univ. of Pa., Wharton School of Finance and Commerce, Industrial Research Dept., Phila., 1947)
Industrial progress as affected by stabilization of wages or wage levels, toward which "industry-wide" bargaining is a contribution. By an outstanding labor economist, arbitrator, teacher and philosopher, formerly Chairman of the NWLB.

Tead, Ordway: *New Adventures in Democracy* (Whittlesey House, N. Y., 1939)
Chapter 14, pp. 190–206, discusses group bargaining in relation to and as an expression of economic democracy.

**Collective Bargaining with Associations and Groups of Employers* (U. S. Dept. of Labor, Bureau of Labor Statistics, Bulletin No. 897 [Monthly Labor Rev., Vol. 64, No. 3, March, 1947, pp. 397–410])
Statistical and analytical survey of the extent and nature of multi-employer bargaining.

vanDelden, E. H.: *Collective Bargaining Contracts and Industrial Practices* (16 LRRM 2503, BNA, Washington, 1945)
Address by Libbey-Owens-Ford Glass Co.'s Industrial Relations Director, to Chicago Personnel Conf. of American Management Assn., June 1945. Forces behind extension, reasons for extension, and balance sheet of pros and cons for employers. Generally favorable and highly temperate.

Periodicals

(References are to publications *regularly* carrying articles on the phases of labor relations covered by this course. Checking of indexes will reveal the existence (if any) and location of items on specific subjects. Here, as elsewhere, the list, though substantial, makes no effort at exhaustiveness.)

Advanced Management (Society for the Advancement of Management, N. Y.)
Quarterly organ of the scientific management school of thought, mixing practical and theoretical articles. Usually dependable and sufficiently impartial.

Conference Board Management Record (Natl. Industrial Conf. Board, N. Y.)
Monthly magazine with NICB statistical and other data, generally reliable, and special articles, frequently same. Not very accessible.

Factory Management and Maintenance (McGraw-Hill, N. Y.)
Monthly management publication with rather frequent articles on labor relations problems. From the "liberal" employer's standpoint.

**Harvard Business Review* (Harvard Univ. Press, Cambridge)
Quarterly voice of Harvard's Graduate School of Business Administration, practically never polemical and frequently presenting both sides where a subject is not presented by an "impartial" writer. Consistently high level of discussion, pretty regular appearance of labor subjects.

Industrial Relations (Dartnell Corp., Chicago)
Monthly articles and comment, entirely on labor and industrial relations subjects.

Labor's Monthly Survey (AF of L, Washington)
Labor's point of view on wages, employment, strikes and other public problems.

**Monthly Labor Review* (U. S. Dept. of Labor, Bureau of Labor Statistics, Washington)
The fountainhead of statistical data; includes special articles on labor subjects and a current brief review of "publications of labor interest."

Personnel (American Management Assn., N. Y.)
Bi-monthly journal containing broad coverage of industrial relations and personnel administration, likely to be partial to employers' views, but frankly so. Not generally accessible.

Personnel Journal (The Personnel Journal, Inc., Swarthmore, Pa.)
Monthly magazine devoted to discussion of problems of and current developments in personnel practices and labor relations. Ably edited and satisfactorily intensive as to subject-matter.

Journal of Political Economy (Univ. of Chicago Press, Chicago)
Bi-monthly. Contributors normally are students and academicians, rather than representatives of a "side." Objectivity consequently tends to be assured. Labor problems irregularly but not infrequently included.

Political Science Quarterly (Academy of Political Sciences, Columbia Univ., N. Y.)
Irregular attention to labor matters, but no axes ground.

The Annals (American Academy of Political and Social Science, Phila.)
Honored forum, more often for philosophical and scientific discussion than for practical operational problems, but always on a lofty plane. Labor problems covered as they may arise.

Quarterly Journal of Economics (Harvard Univ. Press, Cambridge)
American Economic Review (American Economic Assn., Northwestern Univ., Evanston, Ill.)
Presenting discussions, studies, etc., by and for economists and students, but sometimes essential and always honest.

Information Services

Labor Relations Reporter (Bureau of National Affairs, Inc., Washington, semi-weekly)
Excellent reporting of current developments in the field of labor-management relations, labor law, wages and hours, and arbitration. Also reports, either in full or digested, articles, speeches, studies, etc., of interest to those connected with the subject.

Labor Law Service (Commerce Clearing House, Chicago, weekly)
Loose-leaf reporting of all phases of labor law, aimed primarily at attorneys but containing valuable current materials.

"*Labor Equipment*" (Prentice-Hall, N. Y., weekly)
Loose-leaf compilation, in separate volumes, purporting to cover the whole field, including labor relations, arbitration, pension and profit sharing, federal and state labor laws, union contracts and collective bargaining developments, and wage and hour material.

Research Organizations

American Management Association, 330 W. 42nd St., N. Y. 18.
Publishes several lines of pamphlets, of which the "Personnel Series" is related to this course, presenting the employers' viewpoint. Occasionally more objective studies appear therein.

Brookings Institution, 722 Jackson Place, Wash. 6.
Publications are on economic, governmental and legal subjects, most often as aspects of labor problems in relation to the public. Ordinarily they are first-rate jobs of research, but they cannot always be depended upon for complete objectivity.

Industrial Relations Counselors, Inc., RKO Bldg., Rockefeller Center, N. Y. 20.
A private consulting firm whose publications are frequently valuable contributions but tinged with some employer bias.

National Association of Manufacturers, Industrial Relations Dept., 14 W. 49th St., N. Y. 20.
Big-business spokesmen whose published leaflets, brochures, etc., are occasionally remarkably free from industry proclivity.

National Industrial Conference Board, Inc., 247 Park Ave., N. Y. 17.
Industry fact-gathering organization; data usually fairly reliable.

Princeton University, Dept. of Economics and Social Institutions, Industrial Relations Section, Princeton, N. J.
Publishes research studies on specific phases of the labor field, impartial and generally reliable as far as they go.

Congress of Industrial Organizations, Research Dept., 718 Jackson Place, N.W., Washington 6, D. C.
Publishes monthly "Economic Outlook" giving CIO statement of current economic facts. Other publications irregularly.

Society for the Advancement of Management, 39 W. 39th St., N. Y.
Periodicals are "Advanced Management" (quarterly) and "Modern Management" (monthly except March, June, September and December); other material appears irregularly. Truly interested in scientific management with no more bias than the phrase implies.

United States Dept. of Labor, Division of Labor Standards, Washington 25, D. C.
Puts out series of Bulletins on labor relations matters, consistently good and usually unimpeachable.

Labor Research Association, International Publishers Co., Inc., 381 Fourth Ave., N. Y. 16.
Publishes series of "Labor Fact Books", No. 7 being for 1945, which contain statistical summaries and analyses of economic and social conditions, labor organizations, policies and programs, from left-wing labor viewpoint.

Where can I find a list of colleges which give courses in personnel and labor relations subjects? This often repeated question can now be answered by referring to this preliminary list of such institutions.

Colleges Offering Courses in Personnel Subjects

By Research and Records Committee, The Personnel Club of New York

Each year more colleges give courses in personnel and labor relations. No list of such colleges has been conveniently available to business and industrial people, so that this one should prove useful. Many inquiries are received by Personnel Journal for the names of such institutions, for which, up to now, there has been no easy answer. The following list was assembled by The Research and Records Committee of the Personnel Club of New York, which is an association of women engaged in personnel work in and near New York City. No pretense is made that this list is complete: without doubt many additions could be made. Personnel Journal will be glad to receive the names of any additional colleges which give personnel and labor relations courses and to print them in a later issue.

Ed.

Colleges Giving Courses in Personnel Subjects

Suggested by, (1) American Council on Education, Robert Quick, Manager of Publications; (2) California Institute of Technology, Robert D. Gray, Director, Industrial Relations Section; (3) University of Michigan, John W. Riegel, Director, Bureau of Industrial Relations; (4) U. S. Department of Education.

Institution	Division and Director
Alabama Polytechnic Institute Auburn, Ala.	Sch. of Commerce and Bus. Admin.
Alabama, University of University, Ala.	Sch. of Commerce & Bus. Admin.
American University Washington, D. C.	
Antioch College Yellow Springs, Ohio	Dept. of Bus. Admin.
Boston University Boston, Mass.	

Institution	Division and Director
Bryn Mawr College Bryn Mawr, Pa.	Grad. Sch.
California Institute of Technology Pasadena, Cal.	Indus. Rel. Sect. Robert D. Gray, Dir.
California, University of Berkeley, Cal.	Inst. of Ind. Rel. Clark Kerr, Dir.
California, University of Los Angeles, Cal.	Inst. of Ind. Rel. Paul A. Dodd, Dir.
Carnegie Institute of Technology Pittsburgh, Pa.	
Chicago, University of Chicago, Ill.	Ind. Rel. Sect. Robert K. Burns and F. H. Harbison, Executive Officers.
Cincinnati, University of Cincinnati, Ohio	
College of the City of New York New York, N. Y.	
Colorado, University of Boulder, Colo.	
Columbia University New York, N. Y.	Sch. of Bus.
Cornell University Ithaca, N. Y.	Sch. of Labor Rel. Milton R. Konvitz, Dir. of Research.
Dalhousie University Halifax, Nova Scotia	Maritime Bur. of Indus. Rel. L. Richter, Dir.
Dartmouth College Hanover, N. H.	Sch. of Admin. & Finance.
Department of Agriculture Graduate School Washington, D. C.	Chiefly for Federal Employees.
Florida, University of Gainsville, Fla.	
Georgia, University of Athens, Ga.	
George Washington University Washington, D. C.	
Harvard University Cambridge, Mass.	
Illinois, University of Urbana, Ill.	Inst. of Labor & Indus. Rel. Phillips Bradley, Dir.
Indiana University Bloomington, Ind.	Sch. of Bus. Admin.
Iowa State College Ames, Iowa	
Iowa, University of Iowa City, Iowa	
Johns Hopkins University Baltimore, Md.	
Kansas, University of Lawrence, Kansas	

Institution	Division and Director
Kentucky, University of Lexington, Ky.	Col. of Commerce.
Massachusetts Institute of Technology Cambridge, Mass.	Indus. Rel. Sect. Douglas McGregor, Dir.
Michigan, University of Ann Arbor, Mich.	John W. Riegel, Dir. Sch. of Bus. Admin.
Minnesota, University of Minneapolis, Minn.	Dale Yoder, Dir. Sch. of Bus. Admin.
Missouri, University of Columbia, Mo.	Sch. of Bus. & Publ. Admin.
Montreal, University of Montreal, Canada	Indust. Rel. Dept. Emile Bouvier, Dir.
New York University New York, N. Y.	
North Carolina State College Raleigh, N. C.	
North Carolina, University of Chapel Hill, N. C.	
Nebraska, University of Lincoln, Nebr.	Col. of Bus. Admin.
Northwestern University Evanston, Ill.	Sch. of Commerce.
Ohio State University Columbus, Ohio	Personnel Res. Bd. Carroll L. Shartle, Dir.
Oklahoma, University of Norman, Okla	Col. of Bus. Admin.
Pennsylvania State College State College, Pa.	
Pennsylvania, University of Philadelphia, Pa.	
Pittsburgh, University of Pittsburgh, Pa.	
Princeton University Princeton, N. J.	Indus. Rel. Sect. J. Douglas Brown, Dir.
Purdue University Lafayette, Ind.	Dept. of General Engineering.
Queens University Kingston, Canada	Dept of Indus. Rel. J. C. Cameron, Head.
Stanford University Stanford University, Cal.	Div. of Indus. Rel. Grad. Sch. of Bus. John P. Troxell, Dir.
St. Louis University St. Louis, Mo.	Sch. of Commerce & Finance.
Syracuse University Syracuse, N. Y.	
Temple University Phila. Pa.	
Tennessee, University of Knoxville, Tenn.	

Institution	*Division and Director*
Texas State College for Women Denton, Texas	Bus. Admin.
Texas, University of Austin, Texas	Sch. of Bus. Admin.
Toledo, University of Toledo, Ohio	Col. of Bus. Admin.
Toronto, University of Toronto, Canada	Inst. of Indus. Rel. V. W. Bladen, Dir.
Tulane University New Orleans, La.	Col. of Commerce & Bus. Admin.
Virginia Polytechnic Institute Blacksburg, Va.	
Washington, State College of Pullman, Wash.	Dept. of Bus. Admin.
Washington, University of Seattle, Wash.	William S. Hopkins, Dir. College of Econ. & Bus.
Wayne University Detroit, Mich.	Inst. of Indus. Rel. Edward L. Cushman, Dir.
West Virginia University Morgantown, Va.	
Wisconsin, University of Madison, Wis.	
Yale University New Haven, Conn.	Labor & Management Center. E. Wight Bakke, Dir.

About the Authors

E. M. Selfe describes himself as a "front-line supervisor" of The Detroit Edison Company. During the war he assisted in the training of Ordnance Department supervisors, after which he did training work at Wayne University for several months. He is a past president of The Supervisors Forum of Detroit and has just completed a two-year term as National Director of The National Association of Foremen.

Harvey T. Stephens is Director of Industrial Relations at The International Resistance Company, Philadelphia, where he was first employed in job analysis work and later as Wage and Salary Administrator. Previously he was engaged in manufacturing operations in the plant of the Gulf Oil Company.

Dr. Alfred J. Cardall is now a management and personnel consultant, having previously been Director of Industrial Relations of the John B. Stetson Company, Philadelphia. Earlier experience was in business and industry and as a teacher and a clinical psychologist. Degrees were in business administration at Boston College and a doctorate in education and psychology at Harvard.

Bert W. Levy is a practicing attorney specializing in labor problems. From 1942 to 1945 he was a member of the staff of the War Labor Board, Third Region, first as an attorney, then as Regional Attorney and finally as Vice Chairman of the Board and as Acting Chairman. He has bachelors and law degrees from the University of Pennsylvania.

The Editor Chats With His Readers

We attended the first annual conference of "The Pennsylvania Society of Training Directors," at Lancaster, Penna., on December 10 and 11. This was a most rewarding experience. The conference got right down to business half-an-hour after convening with an important talk by Dr. Douglas McGregor, who is head of the Industrial Relations Section of the Massachusetts Institute of Technology. The subject of his talk was "Prerequisites to Effective Supervisory Training."

Dr. McGregor's prerequisites were:

1. There must be *a need* which members of the group are *conscious of*. The struggle of humanity for satisfaction of needs is universal. The despot or autocrat may not like this kind of training; under such a one it will be difficult for the needs of a supervisory group to find clear expression. The benevolent chief may not like it either because he wants to discover and satisfy the needs of his subordinate supervisors himself. A way to discover supervisory needs is to look for dissatisfaction.
2. Provision must be made for *reinforcement of the training*. One way of doing this is to have the training done by the boss and not by a staff man. A result of this kind of training must be the development of additional needs. The new way of behaving indicated by that training must be a satisfactory way to the trainees.
3. A *"permissive" atmosphere* is necessary. This means that the chief must not only approve of the training but stimulate it and he must not put the trainee on the defensive by criticism. Another way is to say that the trainee must be able to feel comfortable; that is, to be allowed to gripe and make a fool of himself, if necessary. He, himself, must be permitted to decide what needs he wants to have satisfied by training and not be told by someone else what the training is to be. To secure a satisfactory permissive atmosphere, it may be necessary to train the boss first. This is difficult but sometimes can be accomplished.

Following Dr. McGregor's talk, the conference of about seventy training and personnel men from all over the state divided itself into four groups, each one under the guidance of a conference leader. An hour-and-a-half was then devoted to discussions centering on the topic dealt with by Dr. McGregor. It was a most satisfying morning.

This issue of Personnel Journal carries, on the back page, an advertisement of the new journal, "Personnel Psychology." This is to be devoted primarily to the results of personnel research and although its content will be based on detailed and sometimes technical studies, it will appear in readable form. The Editor is G. Frederic Kuder, of the Department of Psychology at Duke University. The subscription price is $6.00 per year. Personnel Psychology and Personnel Journal will occupy adjoining fields in personnel.

Industrial Journalism will be the content of a short course to be given February 18, 19, and 20, 1948 at Northwestern University, Chicago. This course will be sponsored by the Industrial Editors Association of Chicago and the Medill School of Journalism at Northwestern University. Inquiries may be addressed to Jerry Buhler, Industrial Editors Association, Board of Trade Building, Chicago, Illinois.

The Philadelphia Chapter of The Society for the Advancement of Management has a lively Committee on Job Evaluation which meets at the Engineers Club on the second Thursday of each month. The Chairman is Allan Martin of the Curtis Publishing Co. Two sub-committees are at work on special problems; one on the topic "Union-Management Cooperation in Job Evaluation" under the chairmanship of Jos. J. Donahue of SKF Corporation. The other is working on the problem of "Standard Nomenclature for Job Evaluation," under the chairmanship of M. Ball of The Campbell Soup Company. Some of the questions are such as this one; "Do these terms mean the same thing, Job, Duty, Responsibility, Task, Position?" Anyone wishing to contribute to the work of these committees may address the chairmen direct or write to Personnel Journal.

Mr. R. W. Drummond writes from Oneida, Ltd., at Oneida, New York, the following question:

"In the newsletter for May 16, of Tide Magazine, there is reference to the Visitors' Day planned by U. S. Steel Corporation at South Chicago and Gary.

"We have been planning a similar event for employees and their families only and would be very grateful for ideas picked up by other firms who have already conducted such affairs.

"Do you happen to have a list of such firms? If not, can you suggest whom to write to."

Anyone who has had successful experience with a visitors' day or open house, may wish to tell Mr. Drummond of their experience.

The Industrial Relations Section at the Massachusetts Institute of Technology, Cambridge 39, Massachusetts, prints at frequent intervals a list of library accessions.

The list for November 1, 1947 contains 148 references to books and pamphlets, grouped under 21 headings. For example there are 13 items listed under the heading "Collective Bargaining"; 7 under "Foremen and Supervisors"; 7 under "Industrial Health and Safety"; 12 under "Labor-Management Relations Act 1947"; 10 under "Training and Education." After each item there is a brief comment indicating the general nature of the contents of the item.

Two interesting pamphlets have been issued by the Department of Economics and Social Science at Massachusetts Institute of Technology, Cambridge, Massachusetts. No. 21 of Series 2 is "Role Playing in Management Training," by Alex Bavelas. On page four of this brief article, the author deals with the necessity, in designing a training program, of finding out what the foremen or trainees feel that they themselves need. "It is when the foreman perceives the material being taught as better means than they now have for the accomplishment of their purposes that sufficient motivation to learn will develop. Whether it takes a week or six months, an investigation into the "self needs" of the group to be trained should precede the course itself." This was the first of the three "pre-requisites to effective supervisory training" given by Dr. Douglas McGregor, of the Massachusetts Institute of Technology, in his talk at the Pennsylvania Society of Training Directors Conference, referred to elsewhere in this issue of PERSONNEL JOURNAL. The second pamphlet is No. 22 of Series 2, entitled "Approaches and Problems in Wage Research," by Charles A. Myers. This short report does not attempt much more than to call attention to the many questions that must be studied in the area of wage determination.

The U. S. Department of Labor, Bureau of Labor Statistics, has been issuing a number of valuable reports on "Collective Bargaining Provisions." These have been issued under the direction of Boris Stern, Chief. Industrial Relations Branch, and are described as Chapters in the Revised Edition of Bulletin No. 686, with the title, "Union Agreement Provisions," originally published in 1942. The issue for July deals with apprentices and learners, while that for October deals with shift operations. Actual provisions of many contracts are quoted verbatim.

General Motors Corporation has conducted a remarkable contest called, "My Job and Why I Like It," which was participated in by more than half of all the employees of the Corporation, to the number of nearly 175,000 contestants. One of the attractions drawing such tremendous participation might have been that there were 5,000 prizes, all General Motors products, with a Cadillac convertible as a grand prize. Nevertheless, the astonishingly large proportion of employees who wrote letters telling why they liked their job indicates a healthy state of morale in the company, all the more impressive because of its large size.

Mr. Stephen A. Rugolski of Toastmaster Products Division of McGraw Electric Co., Elgin, Illinois, offers for sale 90 back copies of Personnel Journal for the calendar years 1939 through 1947. He will sell them in a single lot at a reasonable price.

The Chamber of Commerce of The United States has announced a series of six Regional Industrial Relations Conferences, intended to assist industrial and business executives. Speakers will be drawn from some of the best talent in management, government and the professions. Here are some of the problems that will be tackled —

What will our experience during the first six months under the Taft-Hartley Act teach us?

What have been the bargaining trends under the new Act?

How can the wage-price-profits relationship best be explained?

What are the impediments to industrial peace?

How can the new Federal Mediation and Conciliation Service be most helpful in industrial disputes?

In what new areas is labor legislation needed and what are the prospects for its passage?

What danger does management face in new labor legislation that is being proposed?

Here is the schedule of time and place of the regional conferences.

ATLANTA	*February 2 and 3*
MINNEAPOLIS	*February 20*
LOS ANGELES	*February 26 and 27*
FORT WORTH	*March 4 and 5*
NEW YORK CITY	*March 11 and 12*
CHICAGO	*March 18 and 19*

For information write to William B. Barton, of the U. S. Chamber, Washington 6. He is the Editor of the Chamber's excellent "Labor Relations Letter."

Book Reviews

How to Double Your Vocabulary. By S. Stephenson Smith. New York: Thomas Y. Crowell Co., 1947. Price $3.00.

This is a superior "How-to" book that ought to help you double your vocabulary—if you, in turn, do as the author directs. However, there are two other if's: first, if your word-inventory lies within, or not too much over, the author's postulated average of 10,000; and, second, if you work at the job with assiduity. (This last word will spot-test you to begin with. It is a 15,000-frequency word on the Thorndike scale used in this book: three-quarters of the way to the doubling point of 20,000. Do you use the word naturally, or with apologies? Or don't you use it at all?)

The second proviso is the "catch" in respect of all self-help books, because they are neither self-starting nor free-wheeling, and the diligence they require runs counter to the facts of human inertia. But if you have a respectable charge of ambition to read, write, speak, or think on a broader scale Mr. Smith will beguile you with so much salty definition, ingenious example, and humorous comment, that it should be easy for you to be sedulous. By the same token, if you come under the first proviso, being so well stocked that doubling would subject you to strongly diminishing returns (just try doubling from the 20,000 point!), there's still an opportunity to pick up a lot of new and interesting words, sharpen your knowledge of linguistic fundamentals, point up the accuracy of your usage and, to boot, spend many enjoyable hours in first-rate intellectual company.

For personnel workers, the chapter on "Words at Work" and on business vocabularies are probably of the most immediate interest and practical application. It has long been observed, and to some degree specifically evidenced (witness the Stevens Institute tests), that there is a correlation between large vocabulary and high personal achievement in the industries and professions. This is not to say that 20,000 words will get you the presidency of the company, but it is to say that a successful applicant with a large vocabulary should generally be marked for faster than average advancement. It is probable that the large vocabulary and the high achievement both bloom from the same bush: native competence, wide interest and good memory.

A difficult but effective part of the book, as a potential tool, is the chapter entitled "Word-Analyzer," in which the author shows how to break a word down into its components of stem, prefix, and suffix, and advocates memorizing a list of Latin and Greek basic stems, prefixes, and suffixes. Anyone who has ever felt the thrill of comprehension that comes from analyzing a word into root, prefix, and suffix, to get at its literal meaning, knows how rewarding an exercise this can be. And now that classical education is rare, even among the educated and educable, it is almost an obligation, for how else does one learn these fundamentals?

Alexander M. Lackey

Training as a Capital Investment. Proceedings at the Third Annual Convention, American Society of Training Directors, Detroit, Michigan, October 16–18, 1947. 110 pages. Copies may be obtained at $2.00 each from Hugh Booth, 2020 Witherell Street, Detroit 26, Michigan.

The proceedings contain a number of addresses including the title one, "Training as a Capital Investment," by L. C. Goad, Fisher Body Division, General Motors Corporation; "Industrial Training Programs at Allis-Chalmers," by R. G. Greiner, Training Director, Allis-Chalmers Manufacturing Company; "Management Comes of Age," by Dr. Alexander Ruthven, President, University of Michigan; and several others. There are reports of six sectional meetings on as many topics and another brief report on the "Workshop," of which there were also six. The 110 pages, $8\frac{1}{2}$ x 11, comprise a valuable report for training directors.

SITUATIONS WANTED

POSITION DESIRED with Progressive company in SE or SW by native Southerner. College graduate, 29 years of age. 3 years business experience and 4 years Army experience. Prefer more training. Experienced in the following phase of personnel: administration; labor negotiations; interviewing, testing and placement; safety; training; medical department; counseling. Presently employed. Box 10, Pers. Jour.

JOB EVALUATION CHIEF. Have successfully organized and headed job evaluation programs. Sound apprenticeship in general personnel work plus seven years supervisory experience in job evaluation covering both office and plant jobs. College grad. Age 39. Box 12, Pers. Jour.

EXPERIENCED INDUSTRIAL RELATIONS MAN—10 years covers contract and wage negotiations, training, job evaluation, wage and salary administration, employment, safety, suggestions. Organized and managed complete industrial relations dept. Multi-plant exper. 43. B.S. and Grad. work. Present sal. $9000. Seek bigger oppor. with progressive co. Box 2, Pers. Jour.

INDUSTRIAL RELATIONS EDITOR—Will handle or develop publications, public relations, employee communications program. Veteran, 27, experienced. Present salary $5000. Box 14, Pers. Jour.

PERSONNEL DIRECTOR—for smaller firm or as Management Analyst for industrial consultant in New York area. Administrative, journalistic experience. 30. Free to travel. Box 15, Pers. Jour.

VETERAN—25 and single. Desires personnel or industrial relations position in Rocky Mountain area or California. Currently personnel research assistant with casualty insurance company. B.A. sociology and Master of Personnel Service degrees from Univ. of Colorado. 2 years exper. journalism and public relations. References furnished. Judson Pearson, 133 Spruce St., Stevens Point, Wisc.

PSYCHOLOGIST, test administrator and interviewer with practical experience desires personnel position in or near Phila. Young woman. Have M. S. in Psychology. Box 16, Pers. Jour.

HELP WANTED

Advertisements will be accepted under these headings at 50 cents a line for one insertion. Average 97 characters per line. 10% discount for two insertions, 20% off for three insertions or more.

PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, EDWARD N. HAY. Secretary, D. D. HAY

Volume 26 *Number 9*

Contents for March 1948

EDWARD N. HAY, *Editor*

D. M. DRAIN, *Circulation Manager*

By-passing The Taft-Hartley Law

The chief negotiating problem faced by management this year is not how much of a wage increase to give workers but what should be done to offset union attempts to bypass the Labor-Management Relations Act. Very few unions really object to every provision of the new labor law. But to virtually all unions there are at least one or two objectionable do's or don'ts among its omnibus provisions. It will be the rare union therefore, that does not seek in one way or another to draw the fangs of one or more clauses in the law during the course of collective bargaining negotiations.

The union attempt to avoid the obligations and penalties prescribed by the law raises embarrassing problems for most managements. Living up to the spirit of the law when the union is determined to violate that spirit is extremely difficult, if not impossible. Many managements are now utilizing all their strength and ingenuity to resist and tame union proposals that seek to circumvent the law. Too often management's predicament boils down to the question of whether it is worth a strike to follow the intent of Congress when it is easy to violate that intent legally.

Where a union will strike to get its terms and the employer can concede these terms without violating the letter of the law, who is it that will throw the first stone? Congress? Let Congress pass a law which straightforwardly does what its authors wanted it to do. The public? It is not likely to protest since it loses directly and obviously whenever a strike occurs, whereas the losses it sustains when an employer avoids a strike by surrendering to an unreasonable union demand are indirect, difficult to comprehend, and usually impossible to measure. Other employers? Not they, for they are too likely to be under the same pressure and quite willing to snatch at the precedents set by other managements who find the easy way out of complying with the spirit of the labor law.

Some Congressmen have been castigating management for conspiring with labor to get around the Taft-Hartley Act. Yet on any specific provision of the act which is not crystal clear, you can readily find Congressmen, who voted for the law, disagreeing on its intent. Why, too, should these criticizing Congressmen expect any particular employer to endure the losses of a strike or to incur the risk and production losses of deteriorating labor relations where no strike is likely, merely to enforce the ambiguous sections of a law.

Cataloguing the many methods devised by ingenious union leaders or their ingenious attorneys for making a mockery out the spirit of the Taft-Hartley Act would require many pages. As illustrative of the poor draughtsmanship of the law, the cost of which in strikes and slowdowns and worsened labor relations some people now want to saddle on industry, perhaps two examples will demonstrate how difficult a task has been sloughed off on management.

Example No. 1 is the whole question of an employer's dealing with a union which has not filed the non-Communist affidavits and the reports listed in the law. The union's refusal merely deprives it of the right to use the NLRB to help it force the employer to bargain with it. But the law also lays upon an employer the positive obligation to bargain with whatever union can prove on good evidence that it does represent a majority of the workers in the collective bargaining unit. This obligation of the employer is not hedged around with the corollary obligation of the union that it must have registered under the act or even that it must have been certified by the NLRB.

Congress, most students of the law's background believe, really wanted to relieve employers of the obligation of dealing with a non-registered, perhaps even with a non-certified union. In this way, unions would be forced to rid themselves of Communist leadership, to reveal their financial arrangements, and to accept the obligation of democratic dealings with their rank and file. Yet it clearly did not say so in the act. For an employer who refuses to bargain with a non-registered union that does represent a majority of his employees is clearly guilty of an unfair labor practice under other sections of the law. And either an individual employee adversely affected by the company's refusal to bargain with the union, or the union itself on a subsequent date when it does register under the law, can bring unfair labor practice charges against the employer for attempting to abide by the spirit of the law. Nor did Congress make it illegal to strike against an employer who refuses to bargain on the ground that the union demanding rights has not registered under the law.

Example No. 2 arises under the ban on closed shops and the restrictions on the union shop. There is a fierce debate among labor lawyers whether the mere signing of an unenforceable closed or union shop contract is illegal or whether an illegal act occurs only when an employer fires or refused to hire a worker in accordance with the provision of such an agreement. The law is far from clear. It all depends on what constitutes "discrimination". Is it "discrimination" to sign a closed shop contract without ever intending to enforce it? Is it "discrimination" to sign a union shop contract not approved by a majority vote of the workers in an NLRB election if no attempt is made to enforce it?

Because Congress did not define "discrimination" and hence did not clearly say what it intended, many an employer is signing unenforceable closed shop and union shop agreements. The unions want them because such agreements do exert a psychological compulsion upon workers to join the union—presumably the workers' employer is saying that he too wants his employees to join up. In many plants that is all the union needs in order to get 100 per cent membership.

No clarifying amendments to the disputed sections of the law will be written this year. Congress intends, despite the publicity the Hartley hearings are getting in the newspapers, to leave well enough alone until after the November elections. The consequence is that the numerous ambiguous portions of the act which are especially

vulnerable to union exploitation will only be clarified, if at all, during the next 12 months by NLRB and Supreme Court decisions.

Where neither has laid down the rule, employers will have to go ahead on their own. Then, as always, the best rule they can follow is to make such agreements and adopt such courses as under their peculiar circumstances will, to their best judgment, improve labor-management relations in their plant—the Taft-Hartley Act as interpreted by some "experts" regardless.

Figuring the Costs

W. C. JACKSON, in his January article on "Personnel Department Costs," hit the target. He rang the bell. Personnel executives from Seattle to Miami, having seen his tabulations, are sharpening their pencils and figuring their own investments in Training, Safety, Labor Relations and the other essential personnel activities, to see how their firms stack up.

But they won't have a true picture of all the costs until they have made judicious estimates of what it is costing the company *not* to carry on certain of these activities, or to staff them less than adequately.

Take the cafeteria. How many dollars would the firm save in decreased absences by investing say seventy cents more per employee per annum in keeping the kitchens immaculately, instead of approximately, clean?

You are spending two dollars per employee on your safety activities. What are you getting in return? Can your firm *afford* to limp along on a two-dollar safety crutch? How much would you save in accident costs, direct and hidden, by spending another dollar, not in more canned safety which is good as far as it goes, but in personalizing your entire program, working intimately with your straw bosses and supervisors in order to show them how best to increase the competence and carefulness of just those particular employees who need it most?

How many good hard dollars would it probably cost the firm to put up with an editor of its house organ who would print misleading information about the Taft-Hartley law such as that on which the January editorial focuses the search-light?

Some costs are too elusive to estimate. Not so the hidden cost of putting onto the payroll a good average mechanic when you might have procured a still better one. Such an estimate is particularly in point when you have had to select just the right person to operate some very expensive equipment.

Here is a spectacular example. An electric manufacturing company had about thirty batteries of insulating machines so elaborate and costly that the interest on the capital invested in those machines and the floor space they occupied footed up to $2.40 an hour per operative. The operatives varied greatly in output both during and after the usual six months period of training. More than half of them vanished from the payroll before their six months were up. So, the savings in cost of turnover

and low production that would have been effected by better initial selection of only a few new employees would have gone a long way toward underwriting the cost of the entire personnel research program in this employment department.

A thorough study of personal data as predictors of stability and performance on a job of this sort costs money. Of course. Do you know how much it would have saved your firm? What then would be the net cost? Figure what your company could earn on its investment in personnel research.

When taking up with top management your budget for a program of well-considered training activities you don't have to exaggerate in order to show an impressive balance sheet of costs and of cash benefits. This goes also for most of the headings in the personnel budget, medical, recreational, salary standardization and other.

Too many have hesitated to face squarely and frankly the facts as to the money value of their activities. Much that we personnel men accomplish isn't measureable in dollars; we deal in human values of a higher order, they say. To which I assent, instantly; for dollars tell only part of the story, a minor part at that. But they do talk. And executives who pass on a budget have to listen to the voice of the dollar as well as to the still small voice that reminds them how precious a thing is human justice, and fellowship, and health, and a sense of security, and loyalty to a common enterprise in which the workers, investors, consumers and executives all share.

WALTER V. BINGHAM

Why Call it Industrial Relations?

It would be interesting to have a history of the development of the term "Industrial Relations" as a designation for the function of management that deals with employee problems. These problems do indeed relate to Industry; but so do many other quite different problems. A visitor from another country, who had learned our language from books without acquiring any of our vernacular, would be puzzled to read into the words Industrial Relations any such meaning as many of us give it. Tom Spates, one of the leaders in the field of employee problems in industry, thinks that a better term is "Personnel Administration" and one whose literal meaning is quite close to that which has come to be given to the term Industrial Relations. Isn't it more convenient and logical to speak of someone as "a personnel man" than as "an industrial relations man"? Reader comment on both sides of this argument would be welcome.

Conference Calendar

March

4–5 Fort Worth, Blackstone Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Southwestern Division. T. K. Back, U. S. C. of C., Washington 6.

4–5 Chicago, Continental Hotel.
Society for the Advancement of Management, Spring Conference on Management Controls. Carl S. Coler, Exec. Dir., 84 William St., N. Y. 7.

4–6 St. Louis, Hotel Jefferson.
Educational Directors in Industry, 4th Annual Conference. E. L. Burkhart, Westinghouse Elec. Co., E. Pittsburgh, Pa.

11–12 New York Waldorf-Astoria Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Northeastern Division. T. K. Back, U. S. C. of C., Washington 6.

15–16 Chicago, Morrison Hotel.
U. S. Chamber of Commerce, Industrial Relations Conference, Northern Central Division. T. K. Back, U. S. C. of C., Washington 6.

18–19 New York, Waldorf-Astoria Hotel.
National Industrial Conference Board. S. Avery Raube, 247 Park Avenue, New York 17.

29– Chicago, Stevens Hotel.
Apr 1 *American Council of Guidance and Personnel Associations* comprising: National College Personnel Asso., National Asso. Deans of Women and associated organizations.

April

8–9 New York, Hotel Pennsylvania.
S. A. M. & A. S. M. E. Third Annual Time Study and Methods Conference. Write Exhibit Committee, 84 William Street, New York 7, N. Y.

13–15 New York, Hotel Pennsylvania.
Safety Engineers, Annual Safety Conference and Exposition. P. F. Stricker, Ex. V.P., Greater N. Y. Safety Council, 60 East 42nd St., New York 17.

14–17 Cleveland, Cleveland Public Auditorium.
National Restaurant Association Convention & Exposition. Dept. Pub. Rel., Nat. Res. Asso., 8 S. Michigan Ave., Chicago 3.

22–23 Jacksonville, Fla., Hotel Roosevelt.
Civil Service Assembly. Southern Regional Conference. Edwin L. Swain, Georgia State Personnel Board, Atlanta, Ga.

Union Shop Stewards are frequently better informed than their foremen. Don't let your supervisors be humiliated in this way; strengthen their position as part of management by giving them the news promptly and regularly. Here is a summary of how several prominent companies solved this problem.

Keep Your Executives and Supervisors Informed

By Arthur R. Laney, Jr., Washington Gas Light Company

In 1944 our Personnel Department received a friendly complaint from a foreman that he frequently had to rely on the grapevine or on his subordinates to find out what was going on around the company. His subordinates, he added, were kept "in the know" by their shop stewards.

Up to that time we had employed the "usual" methods of keeping all supervisory employees informed on company affairs. We issued occasional bulletins and frequently advised supervisors through their department heads. However, we had no regular procedure of any kind. Upon investigation of this foreman's complaint it developed that actually our management communication system needed some strengthening. Knowing that other organizations must have the same problem we decided to find out how they were handling it.

Sixteen companies, mostly public utilities, were written to for information, which they promptly supplied. The results of this modest survey were then summarized and sent to our 16 informants. Also included in the 19-page mimeographed summary were excerpts from the book "Sharing Information with Employees" by Alexander Heron. (This classic in personnel administration had been brought to our attention by a survey correspondent.)

Without our knowledge, one of the management information services learned of our study and mentioned it in its magazine. This brief mention—which came at a time when many companies were vitally concerned with the threat of foreman unionization—brought an amazing response. Hundreds of organizations of every size and

description in all parts of the country wrote for copies of our survey. Surprisingly, the list of those requesting the study included some of the best known people in the personnel field. Our stencils were literally worn out running and rerunning copies.

Knowing the limitations of our survey we invited those to whom it was sent to give us the benefit of *their* experience and ideas. Many responses were received, some of which have proved quite valuable to us. Here are some examples:

Dr. Harold B. Baker, Chairman of the Business Administration Division of the General Motors Institute, wrote:

> "The information in the bulletin bears out my previous observations that while some companies do a good job of keeping supervisors informed, the majority of them are remiss in the matter.
>
> "I have found that there are two reasons why this program does not work very well. In the first place, inadequate attention is given to the planning of a program for providing this information. In the second place, companies are vague and uncertain as to the information to be given. Very frequently this means that regular meetings will be established to give standing to the idea but because of improper planning of material to be discussed at the meetings these meetings become uninteresting and a waste of time. On the other hand, some firms make the mistake of turning these meetings into training sessions by having a too formalized presentation of topics from top management point of view.
>
> "The substance of this work is that strength and worthwhileness of the program exist not so much in the type of plan, as in the manner and spirit in which it is used."

Glenn Gardiner, vice president of the Forstmann Woolen Company, summarizes his company's model program as follows:

> "In this period of difficult labor relations, I am firmly convinced that the thing which we in top management must consider most carefully is that we do not permit our supervisors to be separated from us through lack of anything which we may do to help make them feel part of management. Possibly you will be interested in the plan we have in effect here at this company.
>
> "First of all, we have a Supervisors Policy Manual, issued in a loose-leaf form, a compilation of all company policies, regulations and standard practices, which is kept up-to-date by constant revision. When we originally compiled this manual, we started out with our general foremen and in a series of conferences, reviewed all existing policies and gave them an opportunity to present suggestions, criticisms and clarifications. When this process was completed, the tentative policy was submitted to division superintendents for approval and further suggestions, and finally it was reviewed by top officers of the company. Upon their approval it became the final and binding regulations for the company.

"When, we have set up what we call an 'Office of Management Information.' We felt the necessity of making more definitely and systematically certain that top management was being constantly interpreted to the supervisory organization, particularly since shop stewards are very likely to get the information ahead of foremen unless the management sets up definite procedures for sharing with its supervisors immediately all new information applicable to the supervisors' jobs.

"The man in charge of this function reports directly to me and occupies the adjoining office so that we are equipped to immediately give internal publicity to our supervisory organization of any top management decision, policies, procedures or plans. This man is also responsible for the constant maintenance of our Company Policy Manual in an up-to-date, current condition, and in frequent discussion groups with our supervisory people draws from them suggestions relative to the operation of company policies and suggestions for additions, subtractions or eliminations.

"We have used all three of the Training Within Industry programs, and have also included all our supervisors in what we call 'Union Relations Information Sessions' in groups of 10 or 12. The men spent 3 hours (two $1\frac{1}{2}$-hour sessions) on the following:

1. They were coached in company policy regarding the Union.
2. They gained practice in handling typical grievance cases.
3. They went through the steps of effective Job Relations Training.
4. Questions and suggestions were drawn from the group.

"During these sessions, the Policy Manual of the company was used as a source of information when questions arose. The questions that the men brought up were carefully listed. We have now compiled a 'Handbook of Questions and Answers on Union Relations' which has been checked in content both with our own superintendents and the Union, and which is put in the hands of our supervisors, who are charged with the responsibility of carrying out these employee relations policies and which will be fully supported by top management in the exercise of such authority as will be necessary to put them into effect.

"We are also issuing a weekly 'Grievance Digest' to our supervisors, bringing them up-to-date on all cases that have been settled, are suspended, or pending, in order that there may be uniformity in the settling of grievances at all levels throughout the organization."

In somewhat similar vein, Edwin M. Robinson, Professor of Management in Boston University, commented:

"I have noticed that whatever methods are employed, their effectiveness is enhanced or lessened just to the extent that the information passed along is consistent with all the other words and actions of the company. As one of the ancients put it, 'What you do speaks so loudly that I cannot hear what you say.'

"In one publishing company with about 450 employees, an address plate was made for each employee. Announcements were mimeo-

graphed and placed in sealed manila envelopes. Each employee received the same message at the same time. It worked well, since no attempt was made to propagandize the employees.

"In another concern, a financial house with about the same number of employees, the company published a daily printed house organ which was distributed to all employees. A full-time editor was employed, but the news about the company was so distorted in comparison with what everybody knew to be the facts that no one placed any credence in the material published. Office politics ran rife in this company. Curiously enough, the officers of the company saw no harm in running on the front page in boxed form a statement of the employees leaving and new employees starting each day. Since there were five or six of each in each issue, the turnover of employees was something to comment about. They did.

"In another organization the president was constantly dwelling on the emergencies facing the company, on the necessity of watching closely every expenditure, on the impossibility of increasing salaries 'at this time,' and so on. This was his pet standby for the 18 years he was president. But his letters to employees were multigraphed on very expensive stationery, and the home office was notoriously extravagant and wasteful. As a result, few believed what emanated from the home office, and the morale of employees at all levels was notoriously low.

"In another concern, a machinery manufacturer, 'all branch and department letters' were almost continually sent to department heads and branch managers, keeping them continually informed. This company had about 3,000 employees, approximately 900 being office employees. But an air of frankness pervaded the entire organization with an almost complete absence of office politics."

S. A. Bandurski, who was then employment manager of the United States Rubber Company's Woonsocket Plant, wrote:

> "'Know How' in industry, or for that matter in any field of endeavor, will never be successfully attained unless supplemented by 'Know What.' I firmly believe that passing along information is the only insurance industry has of keeping supervisory personnel working efficiently and with peace of mind.
>
> "The procedure used at our plant corresponds closely to the 'Master Conference Plan' mentioned in your monograph. (Note: This Plan is described in the concluding portion of this article.) We feel that it has helped immeasurably to give us a corps of effectively functioning supervisory personnel."

Jay S. Hudson, of the Willard Storage Battery Company, wrote in May 1945:

> "Up to the present time, our experience in this field has been somewhat limited, but we are now about to launch a bi-weekly series of

Management Conferences which will include some 75 members of our key executive and supervisory personnel. We have termed it a management tool that will provide a two-way flow of information, by which Management can make known information and policy matters and in turn receive the ideas and attitudes of the executive force as to present and future policies. The experience of many other companies with similar projects, such as Carrier Engineering Corporation and Radio Corporation of America, strengthens our thinking that this program has tremendous possibilities.

"While for a limited time we will receive assistance from some outside management engineers, we are greatly interested in the experience of others with any similar type of program since it may suggest to us various modifications that will hlep us mold this program to our particular circumstances."

In November 1947 Mr. Hudson supplied an interesting footnote to the above:

> "We continued the bi-weekly series of Management Conference meetings for a little over two years. After a summer recess this year, we have renewed the program on the basis of monthly meetings.
>
> "Our subjects have included company problems, such as costs, worker efficiency, supervisory functions, etc., and also have included discussions of various Company policies as to employee benefits, operating procedures and the like. Other meetings have involved presentations by departments in the Company in which their duties and procedures have been explained with the objective of acquainting management personnel with the 'other fellow's' work and problems. We have also had a few meetings on leadership development.
>
> "We have been very pleased with the success of our program and particularly its contribution to the knowledge of our management personnel about the Company's business and their improved spirit of cooperation."

A similar success story comes from E. S. Bohlin, Director of Personnel, Colgate-Palmolive-Peet Company:

> "We at this plant have embarked upon a rather complete program for the enlightenment of our supervisory personnel in an effort to lend concrete evidence to the oft made, but seldom founded, statement that foremen and supervisory personnel are management.
>
> "Our management policy includes two statements:
>
> 1. To make it possible for the foreman to carry out his management responsibilities, the Company will keep the foreman fully informed at all times on matters which affect his status as a part of management.
>
> 2. . . . through regular channels, foremen shall have access to the chief department executive . . . to top management concerning any problem. . .

"In administration of these points, meetings are scheduled every other Friday in each department wherein the department supervisor discusses localized problems, departmental policies, etc. A monthly meeting is regularly scheduled at which the entire supervisory staff from shift foreman to supervisor meets with the Plant Superintendent for discussion of overall company or plant developments, policies, and future plans. To supplement these, the Superintendent meets periodically with department supervisors for coordination and planning.

"In addition to these meetings, a foreman's training conference program is carried on from early fall to late spring. The foremen meet in groups every two weeks for conferences on more or less academic topics for the purpose of developing a truly managerial philosophy and thinking process. A steering committee, made up of department supervisors and Plant Superintendent, operates as a guiding and coordinating factor in determining conference topics and methods of presentation. Conference discussions are summarized and published as a permanent record for all foremen and supervisors. Summaries are kept by each foreman in an individualized plant conference book.

"We find that overelaboration in this process need not be feared and that all of us in the organization appreciate the open and above-board situation with which we are working."

From Cornell University, John M. Brophy, Assistant Professor of Industrial Education, wrote describing the system used by one of the large paper corporations in Wisconsin:

"The Tour foreman, a key-man in a group of seven line-workers, held a meeting with his men each Monday during which viewpoints were freely exchanged. Problems which could not be handled by adjustments within the group became that foreman's 'agenda' for a meeting the next day with all other Tour foremen. The problems of the Tour foremen which could not be handled by adjustments within their own group became the agenda for a succeeding meeting of superintendents. This procedure was repeated through successive management levels. Although these meetings were primarily intended to promote productive capacity, they served also to provide an exchange of information between line workers and top management.

"My general reaction to plans of this sort is that in all cases a follow-up program should be instituted to measure the value or outcomes of the meetings, and that the merit of the program should be gauged not by the numbers of meetings held or who holds them (although these admittedly are factors), but rather by the extent to which active participation is secured and directed toward clarifying issues and solving problems.

"It seems to me that line-supervisors, particularly, should be invited to express themselves and be given a courteous hearing irrespective of their manner of presentation. Inability of expression,

insincerity, and misunderstanding must each be given a high rank among the disquieting influences which trouble plant personnel at all levels.

"In any event the methods, materials and devices used in interpreting the company's position to the men must be adequate to challenge their interest and result in a degree of personal satisfaction."

Finally, Thomas R. Donoghue, Pittsburgh Plate Glass Company's Director of Safety (who was then Personnel Director at their New Martinsville Plant) wrote:

"No doubt each organization has set up its program according to the needs of the plant or organization, and that has been true in our case. In the organization here we have a General Plant Management Committee meeting each Friday, which Committee includes the superintendents of the various departments. Because of the size of the plant, this group is composed of only about ten men; however, all matters pertaining to production, labor relations, and industrial relations are dealt with.

"In addition to this general meeting, we have a meeting of both day and shift foremen once each month. The meeting is led by the Personnel Director. Labor relations, union contracts (and interpretations thereof) are taken up and discussed. We feel that in general we have been getting information to our supervisory forces expeditiously. When special conditions have arisen which we felt should be drawn to the attention of foremen, or during periods of Union contract negotiations, we have called special meetings immediately in order that foremen might have accurate information rather than receive information from employees or 'the grapevine.'

"In general, we are following about the same plan as other companies described in your summary, realizing that it is of utmost importance that men in immediate touch with our rank and file be in possession of up-to-the-minute news concerning plant policies, Union contracts, and like matters about which they may be questioned by employees. We want them to be fully informed so that they can make decisions of their own, rather than refer all matters higher. We believe this to be not only their duty and a part of their everyday responsibility, but that it increases their prestige among their own men and gives them a greater feeling of responsibility."

QUESTION: How well does YOUR company keep its supervisors informed?

Today, with the Labor-Management Relations Act of 1947 outlawing foreman's unions, it is feared that many companies have lost interest in management information programs. The important point is that such programs are just as vital as they ever were and if your company doesn't have one, it certainly should!

With a little whittling here and a little expansion there (preferably by a representative committee of management people) any of the programs already described may be adapted to your organization, regardless of its size or nature. Or, if you

prefer, install the following "Master Conference Plan," which received more favorable comment than any of the others described in our survey.

The Master Conference Plan

The details of this plan are so simple that it's hard to believe what an important part it plays in the remarkable production record of one of the companies which uses it. Here is the way they operate:

> Every Friday morning the eight superintendents responsible for the operation of the major departments of the company meet with the vice president and other management officials to discuss current problems and new developments which may be important to the company.
>
> The vice president usually conducts the meeting. The training director sits in at these meetings, occasionally conducting them and taking notes from which he prepares the minutes that afternoon.
>
> The superintendents receive the minutes on Saturday, and hold similar meetings with all of their supervisory employees on Monday. Since the plant works on a three-shift basis, most of the superintendents hold three separate meetings each Monday in order to include all supervisors.
>
> The superintendents also prepare minutes of their meetings, which are forwarded promptly to the vice president. These are checked by the training director to see that everything of importance was covered.
>
> The major advantages of this plan are that it keeps the executives of the company fully informed and provides a systematic and accurate means of *assuring* that they, in turn, will see that the entire supervisory organization receives and understands the information which it needs to operate intelligently.

Regardless of the Labor-Management Relations Act, YOUR first-line supervisors and middle management people are and should be just as anxious to know what is going on as they ever were. And using a sure method of making them *really* a part of management is not just an act of kindness. It pays dollars-and-cents dividends in terms of operating efficiency and competitive survival.

It is essential to check references for many types of applicants. Some methods are time-consuming; many are of doubtful value. Here is one that is economical and which gets good results.

Checking the Applicants' References

By Charles W. Books, Assistant Personnel Officer, The Pennsylvania Company for Banking and Trusts

It is common practice to check the statements of an applicant for employment by writing to his former employers. Yet often we annoy one another by these requests. Too often we show little consideration for those from whom we seek information and replies to such inquiries frequently have very little value.

The inquiries generally follow one of five methods:

a. *Merit rating form.* To be of value, completing this form is time-consuming. Usually the result is an "average" rating, since little thought is given to the factors. Probably it does not deserve the time required. We are too busy.

b. *A letter*, seeking general information as to an individual's ability and character. Replies generally are vague and almost always favorable, at least for "any position for which he may be qualified".

c. *Telephone inquiries* are generally of some value in securing information; we would rather give unfavorable information on the telephone than in writing. But such telephone calls often interrupt at a particularly busy time of the day. Promised return calls may be forgotten. Routine inquiries can best be handled through the mails, reserving the telephone method for more urgent cases.

d. *Outside investigating agencies* usually produce wordy but stereotyped reports with vague phrases such as "has no deformities", "definitely not the jitterbug type", or "an introvert type, inclined to read good books"! Apparently the investigator is expected to write a minimum number of words on every report.

e. *Card Form.* This is the most economical form of all, the value of which depends on the questions asked. It requires little time, a minimum of writing, and is quickly answered and returned if a stamped, self-addressed, return envelope is enclosed.

We recently adopted the card form, particular care being given to the questions asked, with a view toward seeking objective information. We want to know

FIGURE I

THE PENNSYLVANIA COMPANY
for Banking and Trusts
S.E. Cor. 15th & Chestnut Sts.
Philadelphia 1, Pa.

__________ Social Security No. __________
has applied to us for a position as __________. Applicant claims to have been in your employ from __________ to __________.

Having had an opportunity to observe above applicant as an employee, your frank answers to the questions on the reverse side of this card will be valuable to us, and would be greatly appreciated. We assure you that your replies will not be revealed to the applicant, or anyone else, under any circumstances.

B-43 8/47 (OVER)

FRONT

FIGURE II

1. WHEN WAS HE IN YOUR EMPLOY? FROM __________ TO __________
2. WHAT POSITION DID HE HOLD? __________
3. WAS HIS ATTENDANCE REGULAR? YES ___ NO ___. IF NOT, WHAT WAS THE CAUSE OF HIS ABSENCES? __________
4. WAS HE LIKED BY HIS CO-WORKERS? WELL-LIKED _____ ACCEPTABLE _____ WAS SOMETIMES CRITICIZED _____
5. WHAT WAS HIS RATE OF PROGRESS? SLOW _____ AVERAGE _____ ABOVE AVERAGE _____
6. WAS HE ASKED TO RESIGN? _____ OR DID HE RESIGN VOLUNTARILY? _____
7. WOULD YOU RE-EMPLOY FOR A SIMILAR POSITION? YES ___ NO ___ IF NOT, WHY? __________
8. IN VIEW OF YOUR KNOWLEDGE OF HIS CHARACTER, ABILITY AND DEPENDABILITY, HOW WOULD YOU RATE HIM AS AN EMPLOYEE? __________
BELOW AVERAGE _____ AVERAGE _____ ABOVE AVERAGE _____
9. IF YOU PREFER, WE WILL CALL YOU ON TELEPHONE NO. __________

SIGNED __________

(OVER) TITLE __________

BACK

whether our applicant will be a desirable employee, but we rely on our own interview and tests to judge the applicant's qualifications. Figure I shows the front of the card and Figure II shows the back.

While the results obtained by use of this card fall far short of being sensational, by comparison with results obtained by the other methods, there is a definite improvement. Eighty-eight per cent of our inquiries were returned, most of them promptly.

We are getting some frank and informative answers. Here is what they reveal:

	Number	Percentage
Inquiries sent in 60-day period	98	100%
Answers—of which 66 returned the cards and 10 wrote special letters	76	78%
Second inquiries sent	19	20%
Second inquiries answered	10	10%
Total answers, 1st and 2nd inquiries	86	88%
Had no record of the applicant	8	8%
Requested phone call instead of sending card	6	6%

Here are the statistics on the answers to the specific questions on the card for the first 64 replies received:

1. Did stated employment dates check?	Yes	42
	No	22
2. Did he hold the position stated in app.?	Yes	55
	No	4
3. Was his attendance regular?	Yes	50
	No	5
	No ans	9
4. Was he liked by co-workers?	Well liked	31
	Acceptable	18
	Sometimes criticized	4
	No answer	14
5. What was his rate of progress on the job?	Above average	12
	Average	34
	Slow	4
	No answer	14
6. Was he—	Asked to resign	6
	Laid off	9
	Resigned voluntarily	44
	No answer	6
7. Would you re-employ?	Yes	42
	No	14
	No answer	8
8. How was he rated—	Below average	6
	Average	35
	Above average	14
	No answer	9

This is by far the most effective method of getting information about an applicant we have ever used—and the most accurate. It is quick, inexpensive, convenient and time-saving, both to our correspondents and to ourselves. But, one thing has us puzzled! Six per cent of those to whom we wrote kept our card and took the trouble to dictate a letter of reply instead!

Very few organizations have sufficiently accurate job evaluation to determine satisfactorily the salaries for professional jobs. Here is a survey of salaries paid to professional employees over a wide area that should be very useful as a guide.

Survey of Professional Salaries

By Michael J. Sunderland, University of California, Los Alamos (New Mexico) Scientific Laboratory

In order to make sure that we were paying salaries for scientific, engineering and professional personnel that were in line with salaries generally prevailing, we conducted a survey of what others were paying. We addressed inquiries to 56 industrial laboratories and research groups and received 28 responses, which covered 7986 employees with the Bachelor degree and 1178 with the degree of Doctor of Philosophy. The geographical coverage is interesting and was as follows:

CALIFORNIA	Burbank Emeryville Fontana Long Beach Los Angeles San Diego San Francisco-Oakland Torrance Trona
COLORADO	Denver
CONNECTICUT	Bridgeport
DELAWARE	Wilmington
DISTRICT OF COLUMBIA	Washington
ILLINOIS	Chicago Peoria Rockford
INDIANA	Indianapolis
KENTUCKY	Louisville
LOUISIANA	Baton Rouge

MARYLAND	Silver Spring
MICHIGAN	Detroit Midland
MINNESOTA	Minneapolis St. Paul
MISSOURI	St. Louis
NEW JERSEY	Rahway
NEW MEXICO	Carlsbad
NEW YORK	Binghampton Great Neck New York Rochester
OHIO	Akron Barberton
OKLAHOMA	Bartlesville Tulsa
PENNSYLVANIA	East Pittsburgh New Kensington Philadelphia Pittsburgh
TEXAS	Houston Texas City
WISCONSIN	Milwaukee

Tabulation Factors

Supervision and supervisory positions were generally included. Practically all participating laboratories inquired as to the handling of this factor. The policy decided upon was, that because supervision is in many cases a nebulous thing and because usually all positions entail a certain amount of supervision, these positions would not be excluded. Only top supervisory positions were excluded, such as Laboratory Director, Chief of Research and Division Head. If a salary figure for any particular year seemed definitely out-of-line we inquired; and if such figure represented a high administrative or supervisory position it was not included. In plotting, experience was based on 0–1 years, over 1 to 2, etc.

Results

The results were plotted with experience as the abcissa at intervals of one year and average salary of employees for the same length of experience as the ordinate.

FIGURE I

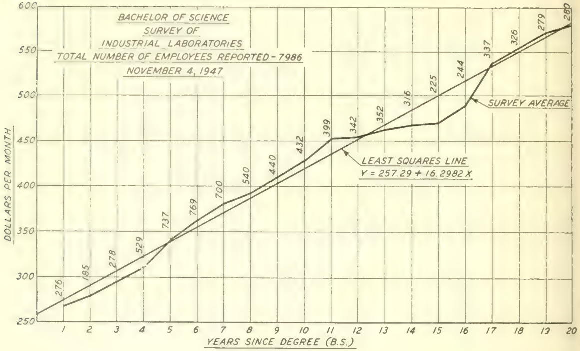

FIGURE II

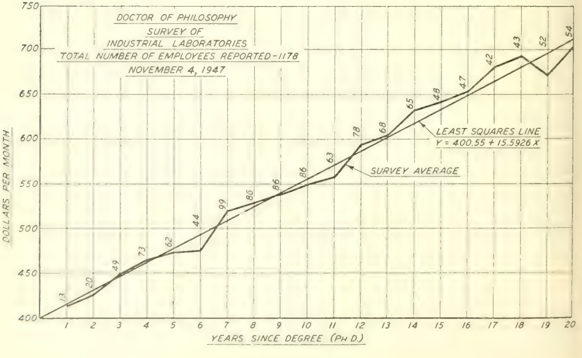

Figure I shows the plotting for employees with the Bachelor degree and Figure II for those with the Ph.D. degree. From the same data a line of least squares was calculated for both groups, with each unit weighted by the number of employees. The average starting salaries were found by extrapolation of the weighted line of least squares, and were as follows:

Bachelors	$257.29
Ph.D.	400.55

The increment of salary for each additional year of service was computed in each case by the least squares method and was as follows:

Bachelors	$16.30
Ph.D.	15.59

It is interesting to note here that the Committee on Scientific Personnel (F. W. Loomis, Chairman), seeking a salary policy for the Atomic Energy Commission recommended the following:

	Starting Salary	*Yearly Increment*
Bachelor	$250.00	$20.00
Ph.D.	400.00	30.00

The lower increment figures found in the survey for Ph.D. seem paradoxical. However, it is obvious that practices for the administration of salaries for this group vary widely. Some companies handle them the same as they do personnel with Bachelor degrees; others have determined higher or lower increments. It would seem that personnel having Ph.D. degrees would be increased at a rate at least equal to that of other personnel in order to maintain the monetary difference which begins with the hiring rate. It could also be argued, although without proof, that the percentage difference should also be maintained. At any rate, it is evident that a ready answer o the low increment for the Ph.D. group included in this survey is not easily found.

What are the chances of getting a position in the personnel field? Here is an analysis of 171 such positions advertised in nine big-city newspapers during a six-week period in 1947.

Help Wanted—Personnel Director

By Sol L. Warren, New York State Education Department

The Department of Guidance and Personnel Administration at New York University's School of Education, recognizing the need and accepting the responsibility for imparting useful occupational information to those of its students preparing for careers in these areas, offers a course entitled, "Employment Opportunities in Guidance and Personnel Work". This course is essentially a job survey modified for presentation in a classroom situation. It is strictly practical—no theory, no abstractions. Its objective is to give the students a realistic picture; "the lowdown" on what they can expect to meet when they go forth to the job-hunt.

While the aim of the course remains substantially unchanged, variations in method of presentation occur from one year to another. These variations depend upon the differences in the composition or interests of particular student groups and are usually reflected in the nature of the projects undertaken.

During the 1947 Summer Session, one of the projects entered upon was an examination and review of job opportunities in personnel work as revealed by advertisements appearing in a selected group of newspapers during the six-week period of the course. The period of coverage was five weeks, beginning July 6th and ending August 9th. Nine newspapers were chosen for the study, four to be scanned daily and the remaining five on Sundays only. The daily group included the New York Times, Herald-Tribune (N. Y.), Evening Sun (N. Y.), and Newark Evening News, while the Sunday group consisted of the Chicago Daily News, Albany Times-Union, St Louis Dispatch, Washington Post, and Philadelphia Bulletin.

The findings of the Committee assigned to the project were reported to the class at its twice-weekly meetings and discussions were held centering about particular job advertisements and, trends. Many opportunities were followed up and by course-end at least four of the twenty-seven students had obtained jobs. Although this number may appear small it actually represents a good proportion of the students actively

seeking work, the remainder being already employed, attending school full-time, or not yet in the labor market for other reasons.

TABLE I

Summary of Advertisements for Personnel Workers Appearing in Nine Newspapers During the Period July 6–August 9, 1947

Position	Salary Range	Number of Positions		
		Male	Female	Total
Administrative Assistant (Personnel)	$2340–2900			1
Ass't. Labor Relations and Pers. Mgr.		0	1	1
Ass't. Personnel Director	3380	2	0	2
Ass't. Interviewer	1560	0	1	1
Director, Management Department	5900	1	0	1
Director, Pers. and Ind'l. Relations	4370	1	0	1
Director, Personnel (Psychology)		1	0	1
Employment Counselor	2800–3900	1	0	1
Employment Director		3	0	3
Employment Interviewer	2600	5	7	12
Educational Director				1
Executive Trainee (Supervisory)	3900	3	0	3
Executive Empl. Mgr. (Testing)	3900	3	0	3
Exec. Sec'y. to Ed'l. Director	2600	0	1	1
Jr. Personnel Assistant	2600			6
Insurance Interviewer (Personnel)	1920	1	0	1
Instructor, Personnel Branch		0	1	1
Labor Relations and Personnel Mgr.	5200–35000	6	0	6
Marine Personnel Supervisor	5200–5850			1
Office Manager (Personnel)	2400–2800	4	1	5
Personnel Administrator	12,000	2	0	2
Personnel Assistant	1650 3600	12	12	24
Personnel Clerk	2600–4370	0	15	15
Personnel Director	8000–10000	7	3	10
Personnel Interviewer	2600	1	1	2
Personnel Manager	4500–5000	11	4	15
Personnel Secretary	2340–3120	0	20	20
Personnel Writer	5000	1	2	3
Personnel Supervisor	3600–4680	5	1	6
Psychologist (Personnel)		3	1	4
Psychologist (Research)		2	2	4
Sales Personnel Recruiter		1	0	1
Testing Assistant	2080	1	1	2
Training Assistant	3200–4800	5	5	10
Vocational Counselor				1
Totals		82	79	171

A blank space indicates "not specified".

A summary of the results of this study has now been prepared. A tabulation of the chief findings is presented in Table I. The statistics are broken down according to the title of the job advertised, the number and sex of workers sought, and the

salary range quoted. Although material was collected on personnel openings in other fields such as government, education, and social service, only jobs in business and industry are included in the Table as it was felt that an insufficient number of jobs in the former categories were publicized in newspapers to constitute a representative sample. Wherever salaries were quoted in other than yearly amounts, they have been converted to annual equivalents.

Perusal of the Table indicates that a total of 171 positions were reviewed. These were contained in 153 unduplicated advertisements, repeated ones having been eliminated from the count. It is interesting to note in this connection that 47 of the ads appeared twice, 25 appeared three times, and 11 appeared more than three times. Including all repeats, 286 ads for personnel workers in industry appeared during the five-week period under study.

There were 35 different job titles noted in the ads, a relatively large number considering the fact that a single area of work is involved. This is no doubt due in part to the different levels of responsibility called for. On the other hand, a number of titles represent merely variations in terminology rather than differences in duties, reflecting diverse organizational set-ups and individual preferences of different concerns. This has some importance in pointing up the position of personnel workers as compared, let us say, with teachers or physicians, and probably is a reflection of the undeveloped state of personnel work as a vocation.

From the standpoint of job opportunities, there were practically equal numbers of positions open to men and to women, the percentages being 48% and 46% respectively, with 6% of the ads not specifying sex. Closer scrutiny of the figures, however, discloses definite trends in favor of men or women with respect to particular positions and levels of responsibility. Thus, it is evident that in such subordinate categories as Personnel Clerk and Personnel Secretary, women predominate. As a matter of fact, not a single male was called for in either of these positions although 35 jobs were involved. This may be a consequence of the traditional relegation of clerical and secretarial work to the feminine domain. Nevertheless, the fact that such positions frequently represent stepping stones to higher jobs in personnel work is not to be underestimated. At the opposite extreme, we find only 8 females being called to fill 52 such top-level positions as Director, Manager, Supervisor, or Administrator. At intermediate levels (Assistants, Interviewers), there appears a greater inclination to accept either sex. In short, it is clear that while as many female as male personnel workers were called for in point of numbers, the overwhelming majority of jobs for women were at lower levels of salary and responsibility compared with those for men, who were conspicuously favored for top-level positions.

As the figures presented indicate, the salaries quoted range from "open" to $35,000 a year. The latter was offered for a Labor Relations and Personnel Manager, a title which appears to command a considerably higher than average salary in this field. The lowest salary quoted was $1560 a year, for an Assistant Interviewer. The average annual salary offered, considering all titles and levels of work, was $4100 a

year, while for positions having the titles Director, Manager, Administrator, and Supervisor, the average was $7100. Since lower and intermediate level jobs could not be readily differentiated, no averages were computed for them. Excluded from the calculations of the above averages were all ads which did not specify any salary.

While many factors in addition to the ones discussed above were analyzed in detail during the course of the semester, only a few brief summary statements are included here because of space limitations and the doubtful significance of the data considered. With regard to the qualifications specified by employers, the ten items which appeared most frequently were, in the order of frequency: experience, pleasing personality, sound judgment, progressive ideas, college degree, ability to understand people, maturity, interviewing and counseling techniques, knowledge of testing, knowledge of typing.

In the 39 ads which specified age as part of the requirements, the most frequent range called for was 25 to 35. Intermediate level jobs more frequently than top or bottom level jobs carried age requirements.

Only 2 of the 28 ads asking for college degrees specified degrees beyond the bachelor's. The only specializations called for were psychology, testing, and related fields. For the rest, general courses of study were deemed sufficient.

Of the 153 ads that appeared, over 60% were placed through private employment agencies. In only a small percentage of the ads placed directly by employers was identifying information given. Thus, about 95% of the positions advertised could be filled only by applicants either writing to an unidentified employer or appearing before a third party for initial screening.

In conclusion, it was the consensus of opinion that from the standpoint of number and variety of jobs offered during the period under examination, personnel work in industry has good prospects for new applicants. With regard to salary, working conditions, and the nature of the duties called for, personnel work was again judged in a favorable light.

The December issue of PERSONNEL JOURNAL carried a request by a reader for help in formulating a training program for supervisors located in thirty-five cities. Here is a suggestion for such a program by an experienced training man.

Training Supervisors in a Decentralized Organization

BY ALFRED R. LATEINER, Supervisor In-Plant Training, The City College of New York

THIS article is prompted by a suggestion from Mr. Wesley B. Warren, Employment Manager for Delta Air Lines, Atlanta, as printed in Personnel Journal, Journal, December 1947 issue. Mr. Warren wrote:

> "We would like to see you devote an article to 'training supervisory personnel in a decentralized organization'. We operate in thirteen states and thirty-five cities. In some cities we have one or two supervisors, in others as many as a dozen. We naturally want each one to receive the same type of training. There are several ways to accomplish this but we want to hold the cost to a minimum and at the same time do a good job. We would be interested in any suggestions you will pass on to us."

Scheduling supervisory training may be discussed in two parts—one common problem being the arrangement of supervisory training groups when the supervisors are all within one concentrated area—and the second part concerning the scheduling of a widely scattered group of key personnel such as Mr. Warren mentions.

Considering the last group first, we find that decentralized groups of supervisors are not infrequently left out of training arrangements because of scheduling difficulties. This is particularly true when some locations have only one, two or a half dozen foremen and leaders.

Supervisory training courses are usually presented as guided conferences. The "guided conference" method of determinate discussion lends itself admirably to the effective development of group leaders. Lectures are suitable for beginners and others who have but little knowledge of the topic under consideration; supervisors obviously are not in this category. Pure conferences are effective for top executives and others who are fully informed on the topic for discussion and are in a position to

make final decisions. But foremen are not in this group, either. The combination of "conference style" and informational lecture allows the trainer to conduct a give-and-take session which develops a train of thought and then brings it to the proper terminal. This training method requires the use of a skilled conference leader with a carefully planned syllabus. The schedule for a dispersed group may be based upon:

1) Trainer traveling to strategic key centers where 6 to 16 supervisors converge for concentrated units of the conference training sessions.

2) Training center based at one location and receiving contingents of supervisors from various locations in rotation until all have passed through the one training center.

3) (1) and (2) arranged nationally or by sections, i.e., New England, South, Southwest, etc.

4) Selection of one potential conference leader from each geographical division who would then be qualified in the methods and material of the supervisory training projects.

5) Broadcast of provocative reading material to be followed by a personally guided discussion of the topics, in order to crystallize the best group thinking for the benefit of each individual.

All of these plans for dispersed training depend on the Socratic method of instruction by means of a series of questionings designed to elicit opinions eventually establishing some general truth.

The points mentioned may be of some help to Mr. Warren and others who are faced with a similar problem. Each of the five approaches has been successfully applied to public utilities, food companies, parcel delivery services, chemical companies, and other organizations operating in many states at widely scattered locations.

The scheduling of supervisory training at a central location with all supervision within a concentrated area, is much simpler. A brief list of important considerations follows:

(1) Be sure to include *all* supervision. The omission of general managers, staff personnel, union representatives, working bosses and office supervision often weakens the results of supervisory development. The "top" people give force to the program. The lowest links of supervision are at the point of operation of effective action.

(2) Large groups should be divided so that "top" people are not sitting in with gang leaders.

(3) "Top" groups should participate before lower levels of supervision.

(4) Groups should have a minimum of 8 people to avoid "bull sessions" and a maximum of 18 people in order to allow participation.

(5) Sessions should be conducted on company time in a clean, well-ventilated room free from production noise and interruption.

(6) Classroom atmosphere should be avoided. Arrange chairs around a table or in a semi-circle, not in rows.

(7) Maximum time for any one session should be one hour.

(8) No official record or stenographer should be allowed in these informal discussions.

(9) Pull supervisors so that no given area is stripped of supervision at any one time.

(10) Use a conference leader who does not "live" in your plant. A new face with new words and an outside point of view can emphasize principles instead of bogging down on specifics.

(11) Avoid general use of the word "TRAINING". Foremen do not mind conferences, discussions or developmental discussions but they do resent being "trained".

(12) Avoid using other schoolroom terms, i.e., class, school, teacher, homework, students, etc.

The above list of 12 considerations is not intended to cover the conference training field but is only a partial list of important guides that are commonly ignored.

About the Authors

Dr. Walter V. Bingham has had so distinguished a career that no detailed statement of his honors and accomplishments is necessary. He served in both wars as Chief Psychologist in the Adjutant General's Office of the War Department and in many other ways has been in the forefront of studies and applications of psychology to human affairs. He was one of the early Editors of PERSONNEL JOURNAL, a post which he held for more than ten years. Anything that Dr. Bingham says is worth careful consideration.

Arthur R. Laney, Jr., is in charge of Research and Training for his employer and is a graduate of George Washington University in psychology. He is the author of various articles on personnel subjects.

Charles W. Books is in charge of the Personnel Department of The Pennsylvania Company. He is a graduate of Girard College and of Temple University and has spent his entire career in commercial banking, the last six of which have been in personnel work.

Michael J. Sunderland is Supervisor of Personnel and Research at the Los Alamos Scientific Laboratory. His work also includes wage administration and merit rating. He has been instructor in Management and Personnel at the Universities of Wyoming and Denver following four years in the Air Force on personnel work.

Sol L. Warren is Supervisor of Vocational Rehabilitation in the New York State Education Department and teaches at New York University. Previous connections were with the U. S. Employment Service and the New York City Welfare Department and as Classification Specialist in the U. S. Army. He is working for a doctor's degree at New York University.

Alfred R. Lateiner conducts training courses in manufacturing plants in the New York area under the Adult Education program of The City College of New York and supervises others in that work. He was formerly a training consultant for foreman groups in numerous corporations. He attended New York University and the University of North Carolina and during the war was safety and training specialist for the Navy.

Walter D. Freezee is an electrical engineer and a graduate of Purdue University. He prefers not to give the name of his employer, though he is sure that they subscribe to what he says about the need of recognition and praise by a boss of his subordinates.

Harry King Tootle is the author of a recent popular book, "Employees are People". He graduated from Johns Hopkins University, after which he studied law and then turned to a career as a newspaper man. His last twelve years were as Personnel Director of the New York Times, from which he is now retired. He writes and lectures and is a personnel consultant.

The Editor Chats With His Readers

MR. W. L. Ganong, Training Advisor at H. P. Hood & Sons, Boston, writes

"In your chat with your readers in the December edition you included a recommendation from a reader that the Personnel Journal, if placed in a company library, would make employes and union members 'become aware of the interest of management in improving conditions of work through better personnel and labor relations practices'.

"As good as the Personnel Journal admittedly is, it seems to me that your wishful-thinking reader is this time asking too much of it. Without question there is much merit in having the Journal available to all the members of the Company. But the only way to have employees really become aware of management's sincere interest in the above ideals is to see the tangible evidence of them as they are put into practice. I suspect that your reader would take no exception to this, although his comment might indicate a slightly different concept."

There have been some prompt reactions to the January editorial, "Misleading Publicity About The Taft-Hartley Law". One of the first ones was a telephone call from a large, nationally-known manufacturer who wanted to reproduce the editorial in a Digest on labor matters that is sent each month to key executives. Another reader wrote, "I would like to compliment you on your editorial about the Taft-Hartley Law. It is the first realistic appraisal of labor's reaction to the Look magazine survey that I have seen".

"Life Begins at Forty" for many of us each year. The book of that title should have a perpetual life because of that fact. Here is a letter from Walter B. Pitkin, the author of this famous book, asking for help in preparing another one. Anyone who can assist him should write to him direct. R. F. D. 2, Box 905, Los Altos, Calif.

"What help, in any form, are corporations giving to boys who leave high school prematurely and to other boys who cannot go to college and need guidance, not so much in preparing for their first jobs, but rather in the broader tasks of finding their life work and moving onward toward it?

"Such boys have been spending fully 10 years in finding work at which they want to stick. They hold, on the average, about 14 jobs before they can make up their minds what they want to be doing for the rest of their lives.

"The task of advancing a beginner to his life work is, so some

managers tell me, a slow and costly affair at best. To speed up progress is most important. Of course the apprentice System, properly controlled, solves much of the problem; but not all.

"I seek cases of fresh and successful methods. Are there any? Some of the ablest vocational superintendents tell me that these boys are the most neglected of all groups. Hence my interest."

The industrial editors held a three-day meeting in connection with the National Safety Conference in Chicago in the early part of October. A 14 page mimeographed memorandum has been issued containing excerpts from the talks which were given at that session. They deal with such matters as the part which house organs can play in explaining labor contracts; publicizing safety as described by G. A. Riley, Supervisor of Safety of the American Brake Shoe Company, New York. The Company employe paper, "Brake Shoe News" runs a special column by Mr. Riley on safety matters. There is a description of the pocket-size magazine published for the employees of the Stanley Works at New Britain, Connecticut, described by Ken Tuttle. He tells the advantages of this size magazine. A number of panel discussions are reviewed, one of which was participated in by C. J. Shamo, Editor "Studebaker Spotlight" and by Jim Nichols, Editor "Kroehler Factory News." Getting sound news before the employee is an important task these days and careful attention to employee publications is rewarding.

Richard S. Uhrbrock of Procter and Gamble Company, Cincinnati, wrote congratulating the editor on the improvement on PERSONNEL JOURNAL. He said "your reference to the twenty-five-year history of the magazine stimulated me to think of some of its origins. Its roots reach back, as I am sure you know, to the reports of the Bureau of Personnel Administration at Carnegie Institute of Technology. The Bureau was thirty years ahead of its time. Many of today's Industrial Relations Sections at various universities are undoubtedly repeating some of its early experiences". It is interesting to see who some of the people were who were in the Bureau of Personnel Administration at Carnegie Tech at that time. They include Dr. Walter V. Bingham, for many years editor of PERSONNEL JOURNAL; John Stevenson, now President of the Penn Mutual Life Insurance Company; and Dr. Marion A. Bills, Assistant Secretary the Aetna Life Insurance Company, Hartford. Among the Psychologists are a number who have become distinguished in later years. In addition to Dr. Bingham they are Dr. Thurstone of the University of Chicago, Dr. Strong of Stanford University, Dr. Bruce V. Moore, head of the Department of Psychology at Penn State College and Dr. Walter Dill Scott of Northwestern University.

"The Working of a Labor Department in Industrial Establishments" is the title of an interesting article which was originally published in 1903 and which outlined ways of solving some of the problems in employer-employee relationships.

Many of the suggestions made are ones that could be made today by any up-to-date labor relations man. This article is reprinted in one of the circulars of the Industrial Relations section of California Institute of Technology at Pasadena. These circulars, which appear three or four times a year, contain useful material for personnel administration people.

An Employee's Interest in His Work

How do we employees maintain our interest in our tasks, day in and day out, year after year throughout the greater portion of our lives? One might say that the obvious answer to this question is the weekly pay check, for we have to earn a living. The necessity of earning a living keeps us on the job but it is something more than that which maintains our day-to-day interest. That "something more" is the conviction and feeling that we are engaged in accomplishing something useful in a useful enterprise. To a certain extent the things we do are self-apparent in their usefulness. However, the importance of some kinds of work is not as apparent as other kinds, particularly in a highly specialized organization; and we often wonder just how the Management feels about our usefulness.

The degree to which we feel of use is dependent immeasurably on whether our boss makes us feel that we are a useful and important part of the organization. There are many things that boost our conviction that the Company feels we are of importance; for instance, being given a definite responsibility with as complete freedom of action and as little interference as possible. When we get a job assigned to us, we like to feel that it is ours to apply our own creative ability and initiative and that we have full responsibility to carry it to a successful conclusion. We do not like to have anyone share that responsibility; we want to feel that it is entirely up to us. We do not mind it if the boss talks it over with us and checks up once in a while. In fact, we recognize that we should keep him informed of our progress. But we still want to be recognized as the one in charge of that particular assignment and the more responsibility the boss places on us for that assignment the better we like it. For the same reason we like to see our initials on our letters and to know that these letters are our very own.

And then upon completion of the job, we like to hear a word of praise from the boss. We recognize that criticism may also be necessary but we feel that we have done our best even if we have made mistakes and we feel that we are entitled to a word of recognition for it. There is nothing more stimulating than a word of praise, no matter how trivial the cause. It seems to release some hidden energy within us; some energy that we did not realize we had before, which carries us on for a long

time at a level of effort and interest far above normal. Under such conditions we can receive criticism in the spirit of helpfulness for which it is intended. We do not mind being told about our errors if we know that we will at the same time be praised for our good work.

Sometimes there is a feeling of uncertainty among some of us as to how we stand with the Company and what progress we are making. Promotions have not occurred and wage increases have not allayed this feeling. We are not criticized about our work but we are not praised. From the viewpoint of the boss this may be sufficient but from our own viewpoint it is not. Of course we expect fully to have earned our praise. We do not want it if we do not deserve it and we want it to be sincere. But we do want some comments on our work. We like to have the boss frequently talk over with us the kind of job we are doing and we are glad to receive any suggestions for improvement. It is harder and harder to maintain one's day-to-day interest in a job after years of service. The job and the outlook are not as fresh and stimulating as they were in the beginning. But to know that whatever job we have, it is considered useful and important by the Company, that we have full responsibility for it, and will receive recognition when it is well done, tend to freshen that outlook and stimulate that interest. We feel that we are entitled to these things just as much as to the weekly pay check and they are needed far more in getting the job done and getting it done well.

Walter D. Freezee

Put Your Young Employees Ahead of College Graduates

Certainly the writer of this article has no intention of discounting the importance of complete, mutual understanding between college prospects and the companies in the market for their services. Various aspects of the search for recruits have been set forth by Messrs. Eckles and Lindahl in recent issues of the Personnel Journal. However, lest another market be ignored in the search for college material, this is a suggestion to personnel directors and employment managers to dig for the diamonds out in their own plants or in the back rows of their own counting houses. When we start our scouts on their tours of colleges, let us make it plain to the young men and women already on the payroll, that they too are having consideration.

Opportunity is one of the great human needs. It should be given first to those already employed by a company. Where that opportunity is not grounded in pure science which only a college can give, if it can go by right of ability to an employee it should. This should be an established company policy, known to all.

There are now 2,240,000 young people attending college. The goal of educators for 1960 is 4,600,000. These figures still leave millions in the working world who have equal intelligence if not equal schooling. It is disheartening enough to many of these millions not to be able to pursue higher courses of learning. Why make it harder by broadcasting the news or letting it seep out into plant and office that the scouts are visiting the colleges to find a group to be trained as future junior executives?

Well and good to let news of the college survey get about if at the same time it is made known to young employees that among them there will also be selections for the training squad. Perhaps one of the applicants during a college interview would be shrewd to ask, "How about opportunities offered those already employed by you who are not college trained but are eager to come up from the ranks?" If the answer were that the company depended on the college-trained for career men and women, then the applicant would do well to close the interview. He could well believe that the company's policy was snobbish, undemocratic and cruel in its discrimination.

Mr. Lindahl makes a wise observation when he says, "The best example of a failure is a man who has stayed too long on one job." A young man who finds that training squads in his company are only for college graduates, or even in the main for college graduates, need not call himself a failure. With show of reason he may maintain that the company is a failure. In that case he had better get out with greater alacrity than if he had been a misfit on the job. Right there the company is increasing its rate of turn-over and for a reason definitely its own fault.

It is all very well for personnel directors to talk about substitute satisfactions, but there is no substitute for the feeling that there is no opportunity for advancement when a young man or woman with courage and determination and ability finds that a college training squad for junior executive positions is about to invade the organization where he or she is already at work in the ranks. There is no substitute for morale.

The plan of McCormick & Company of Baltimore, which uncovers talent through its auxiliary boards of directors in office and plant, should have a place in company policy ahead of the general search among the colleges just before graduation day. This McCormick plan is so satisfactory that many other companies have adopted it.

To forestall criticism the writer admits the dangers of in-breeding and straight seniority, but he still maintains that the personnel director's first duty is to make a thorough search among the youngsters in his own employ to find those who by intelligence and integrity deserve to be put on the road to advancement along with college graduates.

Wherever a personnel director has a company policy which satisfactorily handles promotions from within he should publicize that fact when he goes outside for recruits who are slated for positions as junior executives if they make the grade. If his company does not have such a policy, he should strive to have it adopted.

HARRY KING TOOTLE

Applied Job Evaluation. By H. Geddes Stanway. New York: The Ronald Press Company, 1947. 81 p. $3.50.

"Applied Job Evaluation" is not one of the better books among the many on this subject issued in the past few years. The plan described employs eight factor scales when four will do the work The author accepts one of the limitations of his scales when he says, in referring briefly to the problem of evaluating office jobs, "the procedure is the same but generally the terminology and some of the factors in the 'key' would be different". It is curious that users of most predetermined point plans do not know that there are other plans which can be used to evaluate all types of jobs at every wage and salary level, with the same three to five factors.

It is confusing to read about "job descriptions" and suddenly be told about "job classifications" with no explanation of the part which each plays, or whether they are the same thing. The method he useds for converting point values to money values is not one generally accepted and is inaccurate. The method described is to secure agreement on the wage rates for the highest and the lowest point value jobs. Place these on a chart and "draw a straight line through them". It is then assumed that all other wage rates will lie on this line. On the contrary, it is generally known that this is not true. A series of jobs which increase in difficulty by evenly spaced increments will increase in wage or salary value by progressively *larger* steps; in other words, geometrically. As an illustration; a $30 a week cleark will be pleased with a $3 a week raise, but will a $200 a week executive feel that way about a raise of $3 a week? Nobody would be surprised if he became indignant. So, it is generally accepted that the size of the raise should be proportionate to the size of the salary. It is true that in the narrow range from lowest to highest hourly rates that a departure from this rule is not serious, but only because of the small spread. In salaried rates the range is much greater and a "straight line" rate curve would not be acceptable. Further, the author says "at no time is any reference made to . . . existing rates in the company". To ignore the company's existing rates is a perilous act and may subject the company to a severe and unexpected increase in the total payroll if it is a low-rate company, or the reverse if it is high.

Instead of evaluating the job which each man performs this plan undertakes "to classify each . . . employee under the job classification which fully describes the employee's job". In other words, the plan is actually one of evaluating a series of generalized classifications and then assigning each employee to the one most like his actual job. This is one of the practices objected to by the A.F.L. and commented on in "The Attitude of the A.F.L. on Job Evaluation" which appeared in November Personnel Journal.

The author suggests delegating the responsibility for administering a wage or salary plan, in some cases, to a committee; an operating method that is generally considered bad. "Committees for counsel; individuals for action". Elsewhere it is suggested that the plan be managed by an administrator the source of whose authority is not indicated, except that it is *not* the personnel department! A typical

fault of this and of many other similar methods of job evaluation is illustrated by the statement, ". . . in positions of an administrative, professional or creative nature, it is more difficult to divorce the attributes of the incumbent employee in determining the equitable salary range for the position". On this premise the author finds that plans which are "limited by choice of points or factor weighting" are unsuitable. The plan of General Foods Corporation described at the 1947 Personnel Conference of A. M. A. by Mr. B. B. Warren of that company under the title "The Evaluation of Managerial Positions" solves this problem.

This is a disappointing book which adds nothing to existing literature and, on the contrary, repeats many errors and misconceptions of other writers.

Handbook of Personnel Management. By George D. Halsey. New York & London; Harper & Bros., 1947. 398 p. $6.00.

This book is unusual. In approximately four hundred pages the author covers such topics as job analysis and job evaluation, performance rating, employment procedures (including the use of tests), induction and training, suggestion systems, layoffs and dismissals, grievances, wage incentive and profit sharing plans, safety, welfare programs, group insurance, labor relations, and personnel statistics—and this is only a partial listing!

To cover so much in thirty-one chapters, detail has to be sacrificed to some extent. However, each chapter lists an excellent bibliography for the subject under discussion along with a brief explanatory notation of each book listed, so that "Handbook of Personnel Management" becomes a valuable reference book for the personnel man.

Other features are the numerous case studies, illustrations of many forms and records, a chapter containing an outline for a self-audit of personnel management, and an appendix which lists sources of information and help to personnel men; such as names of organizations and what they do, where they can be reached, and the names of their publications.

The author begins his book by stating that the personnel man's ultimate function is to increase each worker's productivity through the use of sound and practical methods, and then proceeds to relate how this can be done. A better organization is possible only through better people more effectively utilized, is the emphasis throughout the book.

The author's knowledge gained from many years of practical experience, makes this book a necessity for every beginner in the field and a "should have" for the old hands at the game. It would also make an excellent text for a college course in personnel administration, for it touches upon every phase of the subject and is arranged logically for such a use.

Richard N. Butler

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PERSONNEL
Journal

The Magazine of

LABOR RELATIONS AND PERSONNEL PRACTICES

Published by The PERSONNEL JOURNAL, INC.

Swarthmore, Pennsylvania

President and Treasurer, EDWARD N. HAY. Secretary, D. D. HAY

Volume 26 *Number 10*

Contents for April 1948

EDWARD N. HAY, *Editor*

D. M. DRAIN, *Circulation Manager*

Act Your Age

Two recent books on labor relations are of more than usual importance. They are *Labor Relations and Human Relations* by Selekman and *Pattern for Good Labor Relations* by Lee Hill. Both authors write with a conviction of the dignity and importance of every individual person, and with the belief that it is important to recognize that fact in all labor relations. Selekman's book is capably reviewed in this issue on another page under the suggestive title, *Quest for Maturity in Labor Relations.* Perhaps the most important thing about Selekman's writing is that it is based on sound psychological and sociological findings, which are discussed in a useful way with illustrations derived from the daily relations between labor and management. He suggests that mature and unemotional behavior in the course of these dealings would be a major factor in their success. *Labor Relations and Human Relations* is well worth study by all labor relations and personnel workers.

Government Denial of the Right to Strike

Management is at the collective bargaining cross-roads. It has three choices: more government intervention, less, or just as much as now. It is being pushed willy-nilly down the road labeled "more" almost without knowing it. Surely, before going any further, industry ought to stop and determine where it wants to go and then do its utmost to get on the right road.

A few weeks back Cyrus S. Ching, director of the Federal Mediation and Conciliation Service, was erroneously reported to have told the Southern Coal Producers Association that the government "is not going to permit a coal stoppage." He went on further to warn, according to published reports, that when the government stepped in, the adjustment it would enforce might not be to the liking of either the mine operators or the union.

There is currently no law forbidding a strike or lockout when employers and unions cannot agree to the terms of a contract. The most that can be done by the government, and then only in disputes that "imperil the national health or safety," is to use the provisions of the Labor Management Relations Act to delay or call off a strike or lockout for 80 days. Yet reporters understood Ching to mean that the government would not allow a strike to occur in the coal fields, presumably because it is quite willing to go to Congress and demand additional legislation completely banning the right to strike or lockout in certain industries.

Similarly, there is no federal law requiring compulsory arbitration of any labor dispute. Yet reporters concluded that the government stood ready, if necessary to prevent a work stoppage in the coal mines, to compel the mine owners and their employees to adopt the terms and conditions of employment unilaterally set by the government.

Has the time come for this country to discard the "right to strike," "the right to lock out," and "the right to refuse to arbitrate?" Very few managements and even fewer labor unions believe so. Even those who leaned in this direction were disillusioned by their wartime experience with the National War Labor Board. Collective bargaining virtually died during those days; both management and labor were the sufferers, but of the two management undoubtedly came off second-best.

That the distorted account of Ching's statements did not cause as much consternation in industry as their obvious implications warrant can be blamed on the Labor Management Relations Act. Without gainsaying the positive contributions of that law it cannot be denied that it also initiated more far reaching government control over collective bargaining than had ever been exercised in this country during peace time. Never before had the government the power to dictate collective bargaining procedures or the content of collective bargaining contracts. All it had the power to do under the Wagner Act was to force employers to bargain with unions that clearly represented a majority of workers in an appropriate bargaining unit.

The MLRA's mandatory step-by-step bargaining procedure and its restrictions on the contents of union contracts, coupled with the injunction powers it gives the NLRB, go much further than many managements desired. But it has habituated even them to the idea of government control over collective bargaining. It thus paved the way for the lack of indignation which greeted Ching's statements. Less than 10 years ago industry's reaction to them would have been quite different.

Management is being given a breathing spell this year, while Congress watches how the Taft-Hartley Act is working out, to think through its position toward the many proposals that are being made for further limiting the collective bargaining rights of employers and labor. Should not industry begin to think, not in terms of more restrictions but of less? If more and more government control is to be avoided, perhaps industry should ask for the elimination of both the Taft-Hartley Act and the Wagner Act. A clean collective bargaining slate might be far more conducive to industrial peace and might set back the seemingly steady trend toward government dictation over business. These are some of the fundamental questions and ideas which thoughtful managements ought to ponder between now and the assembling of the new Congress in January 1949.

HOW COMMUNISTS ARE MADE

"The class struggle is not about capital, nor the means of production; it concerns the right of the individual to a satisfying occupation," says a recent writer on vocational problems.

During the past few years many young men have told me of their experiences with all kinds of employers. One man, just home from Okinawa, joined a well-known Insurance Company. "My great expectations had a rude awakening," he said, "for at the end of six months not a single prospect had been given me although

they had made a specific promise to furnish leads and names to help me get started." The outcome of this broken promise was one more disgruntled American, and no little bitterness toward big business.

In the factory, the story is couched in different terms. An Ex-G.I. reports having read alluring phrases in the Sunday want ads which induced him to take a time-and-money-consuming trip to the factory only to find that the company was not even hiring. Yet a top executive officer was responsible for inserting the copy. It was his way of finding out the status of the labor market. Incidentally, the Personnel Manager had the courage to resign. The factory is still humming along, its big shots attending church on Sunday, but displaying a complete absence of concern for the worker on Monday.

In sales and service the situation is similar. A former Marine Captain accepted a position in a territory a thousand miles from Philadelphia. He moved West with his wife and, according to his Manager, rendered first-class services until there was a shortage of material back East. One Saturday afternoon he received an abrupt wire from his boss terminating the job relationship without so much as a thought for the salesman or his family.

These stories are not meant to convey the idea that all American employers are forgetful of their promises. Undoubtedly they are actually in the minority. But even so, such thoughtless employers are doing the rest of us a dangerous disservice. If the class struggle revolves around the search by men and women for a satisfying occupation, then these careless employers are adding fuel to the conflict.

When management humiliates the employe, then the C.I.O. or the A. F. of L. steps in. If the Union also lets the worker down, treating him as a nonentity, he turns to those who promise him something better. And that is how Communists are made.

The American way of governing and of working is the best the world has ever known. But it can hardly survive unless employers give thought to the needs, the growth, the feelings and the spirit of each employe. The janitor, the elevator man, the typist, the machine operator and the salesman—*every* job, however small, must be invested with importance and meaning. Are you creating job satisfaction, or are you manufacturing Communists?

WILLARD TOMLINSON

Conference Calendar

April

8–9 New York, Hotel Pennsylvania.
S. A. M. & A. S. M. E. Third Annual Time Study and Methods Conference. Write Exhibit Committee, 84 William Street, New York 7, N. Y.

13–15 New York, Hotel Pennsylvania.
Safety Engineers, Annual Safety Conference and Exposition. P. F. Stricker, Ex. V.P., Greater N. Y. Safety Council, 60 East 42nd St., New York 17.

14–17 Cleveland, Cleveland Public Auditorium.
National Restaurant Association Convention & Exposition. Dept. Pub. Rel., Nat. Res. Asso., 8 S. Michigan Ave., Chicago 3.

22–23 Jacksonville, Fla., Hotel Roosevelt.
Civil Service Assembly. Southern Regional Conference. Edwin L. Swain, Georgia State Personnel Board, Atlanta, Ga.

May

6 New York, Hotel Pennsylvania.
National Association of Suggestion Systems, Eastern Regional Conference. Mr. Roy Kelly, National Biscuit Co., 449 W. 14th St., New York, N. Y.

13–14 Detroit, Hotel Statler.
American Management Association, Production Conference. James O. Rice, 330 W. 42nd. St., New York 18.

23–26 St. Louis, Kiel Municipal Auditorium.
National Office Management Association annual conference and office equipment exposition. N.O.M.A., 12 E. Chelten Ave., Philadelphia 44.

24–26 Denver.
Civil Service Assembly, Central Regional Conference. Chas. A. Meyer, Asst. Sec., Detroit Civil Service Commission, Detroit.

24–27 Washington.
American Public Relations Association, 1st International Institute. Charles T. Dockarty, 1427 Eye St., N. W. Washington.

26 New York, Waldorf-Astoria Hotel.
National Industrial Conference Board, General Session.
S. Avery Raube, 247 Park Ave., New York 17.

This is an appreciative comment on an important recent book; Selekman's *Labor Relations and Human Relations*.* The book deals chiefly with the emotional and social factors underlying the relationships between individuals and groups in the course of collective bargaining.

Quest for Maturity in Labor Relations

By Bert W. Levy

The basic elements of our present-day labor relations problems were undoubtedly generated by the so-called industrial revolution in England, beginning in the second half of the 18th century. Even in those times the labor question was recognized by classical economists like Adam Smith and Ricardo. Later on the field of inquiry was expanded and probed in the name of political economy by pioneers like Marx. But prior to the 1930's "the labor question," at least in theory, was principally a question of economics, of political science, or of law. In practice, law was usually the ultimate instrument for the settlement of labor disputes, for the issue was not likely to be left to the long decision of economics or politics when a conviction for conspiracy or, as later, a blanket injunction, was a readily accessible "persuader." This being the case, many potential disputes were choked off in their early stages because it was practically certain that even if they did develop further they would eventually be given short shrift by the courts. Mere mastery of the situation, however, does not necessarily solve the problem. Employee urges can be driven underground by outright suppression, but cannot be totally obliterated; their effects on industrial operations, though indirect and sometimes obscure in origin, will continue.

The truth of this principle has gradually become generally accepted but for a long while such attempts as were made to relieve the resulting pressures were crude and were directed at the individual as such rather than as a member of an industrial group. "Enlightened" employers in prior years, refusing to resort to repressive tactics, have combatted employee efforts at collective representation by extending benefits unilaterally to the restive group or by adopting and publicizing an "open door" policy of discussions concerning shop issues. Such employers have dealt with individual grievances in much the same manner that a physician treats his

* *Labor Relations and Human Relations*. By Benjamin M. Selekman. New York and London: McGraw-Hill Book Company, Inc., 1947. 255 p. $3.00.

individual patients: careful hearing and noting of symptoms, earnest thought, applied training and experience in diagnosis, and sincere prescription of remedies. However, few of those employers have performed all of these functions with the conscious and constant realization of the underlying factors giving rise to the immediate problem.

More recently there has been a tendency on the part of labor relations men, both practical and theoretical, to make use of the psychological and sociological knowledge which has become so widely available since the turn of the century. Among this psycho-sociological school of thinkers and practitioners Prof. Selekman is in the forefront. Of course, he has his forerunners as well as his contemporaries: Pigors, Moore, Williams, Mayo, and others[1] come to mind in one or both of these groups. But Selekman is preeminent because he so thoroughly combines psychology and sociology, because he brings to both a background of experience as well as learning, and because he has fused all of those elements into a systematic viewpoint and presented the whole as related to life in the shop.

Consisting for the most part of material which has appeared in the *Harvard Business Review* from time to time since 1945, LABOR RELATIONS AND HUMAN RELATIONS examines the current precarious condition of collective bargaining, exposes the underlying reasons for the condition, and expounds what almost amounts to a philosophy in suggesting what must be done "if managements and unions are to make of collective bargaining a socially useful tool for themselves and society; if collective bargaining is to evolve as an appropriate form of human relations in industry."[2]

Prof. Selekman starts out with the point that there exists today an "impasse in collective bargaining"; that collective bargaining, although very generally dracticed throughout the United States, exists in a state which is fundamentally one of strife and not of harmony; and that positive steps must immediately be taken to attain the latter state lest it bog down utterly in the former. On the surface this resembles the exaggeratedly pessimistic outlook of some employer spokesmen and many politicians—most of both classes having axes to grind—which is not shared by objective students of today's labor scene. A few pages' reading, however, sufficiently demonstrates the contrary. Selekman is no alarmist and certainly no partisan. He does not despair for collective bargaining; he is aware of its present achievements; but he dares to point out that, with all its successes in the form of agreements satisfactory to the parties, it has great, unrealized potentialities. The fact remains that "conflict in industry has proved so much easier to evoke than co-

[1] See, *e.g.*, Pigors, Paul, L. C. McKenney & T. O. Armstrong: *Social Problems in Labor Relations* (McGraw-Hill, N. Y., 1939); Pigors, Paul & Charles A. Myers: *Personnel Administration* (McGraw-Hill, N. Y., 1948); Moore, Wilbert C.: *Industrial Relations and the Social Order* (Macmillan, N. Y., 1946), Williams, Whiting: *Mainsprings of Men* (Scribner, N. Y., 1924), Mayo, Elton J.: *The Social Problems of an Industrial Civilization* (Harvard U., Boston, 1945); Warner, William Lloyd, and J. O. Low: *The Social System of the Modern Factory* (Yale U., New Haven, 1947).

[2] P. 11.

operation."[3] It should follow that if we discover *why* this is, it will then be possible to find out *how* to overcome it.

Accordingly the author proceeds to inquire into the *why*. He finds that the heat which must be generated by an organizing campaign often carries over into subsequent contract negotiations; that the entirely new shop relationships created by the advent and recognition of a union sets up deep-seated emotional disturbances in foremen, stewards, top management and the union rank and file; that these emotional drives and blocks, attendant as they are upon changed social structures and values, frequently lie behind ordinary grievances; and that similar drives and blocks, arising from superficially different but basically identical social and psychological considerations, are always at the root of resistance to technological, procedural or other types of "shop changes." These aspects are laid bare in accordance with the principles of the most widely accepted psychological teachings. Simultaneously suggestions are made as to the *how* of hurdling the obstacles thus presented. That the realization of some of the suggestions involves substantial difficulties and lengthy periods of time is plain. These considerations, however, do not vitiate the findings, and indeed do not destroy the long-range practicality of the suggestions themselves. An example is the careful, continuous and extended training of foremen and stewards, along the line of "emotional reorientation," to the end that an agreement, once reached, be properly administered. This entails the free-and-easy atmosphere of conferences and "bull sessions" wherein key employees can "talk it out" and "get it off their chests" from time to time, rather than the formality of a class where some one person tries to "lay it down" to his listeners.[4] Another instance, related to the handling of grievances, is insistence on the "clinical approach," whereby the grievance is analyzed and treated by insight into the psychological and social causes of the specific facts of the situation instead of by reference to the words of the written agreement which of necessity are designed to cover rather vaguely defined groups of problems.[5] Likewise, in connection with "resistance to shop changes," there are suggestions involving prior consultation, gradual introduction of the change, establishing an adequate grievance machinery, emphasis on positive aspects of the change (such as better earning opportunities or pride in teamwork as a means of achieving improvement in production), and familiarity with the whole social structure of the shop.[6] Even more concrete are the proposals concerning negotiation of the first agreement, designed to assist the parties in utilizing such negotiations "positively as a social and psychological device for actually beginning to liquidate rather than merely continuing the hostilities brought to the surface during the organizing campaign."[7] These proposals comprise (1) strict attention to particulars and avoidance of "principles"[8];

[3] P. 1.

[4] See Chapter IV.

[5] See Chapter V.

[6] See Chapter VI.

[7] P. 30.

[8] This recommendation is contained in what may well become a classic paragraph, which I cannot refrain from quoting:

(2) liberal drawing upon the recorded fruits of others' experience (collections of contract clauses and like materials to be found in the various information services of BNA, CCH, NICB, BLS, etc.); (3) enlisting shop-level participation by meetings with foremen and shop stewards; and (5) emotional "launching" by the use of ceremonies, such as banquets, mass meetings, entertainments.[9]

It is evident from all this that the leaders of labor and management must be of a stature all too rarely encountered. Selekman is under no illusions on this point, either; but once more he refuses to be daunted. Seeing the urgent need of proper leadership, he courageously sets forth the elements of such leadership in two chapters[10] which, for this reviewer, embody not only some of the most satisfying portions of a generally satisfying book, but also some of the most brilliantly executed passages in the entire literature of the subject. To say that it all boils down to a requirement of *emotional maturity* is true enough but oversimplified. The cornerstones of emotional maturity are the consciousness that when the other party seems obstinate or generally unreasonable, such attitudes stem from ordinary psycho-sociological causes—that, in a word, they are *normal*, and to be expected; the ability to pinpoint the causes of such attitudes in each particular set of facts, to accept them calmly, and to deal with them in a "clinical" manner appropriate to the occasion; and the recognition that impulses and reactions within oneself spring from identical causes and should be subjected to the same kind of treatment. The author exhibits a true understanding of the problems of both management and labor in this regard: for the former, the apparently unfair obligation to bear and forbear, the enormous burden of training, and at the same time, the unceasing pressures for more efficiency and greater production; for the latter, the complex cross-stresses and intra-union loyalties inherent in what is essentially a political position, the immense demands on resourcefulness and flexibility in situations whose actual limitations are often strict, and the public responsibilities too seldom coupled with commensurate real authority.

In a final chapter[11] all the themes are recapitulated, the threads drawn together, and conclusions stated in a concise but more universal fashion. How to bring about cooperative feelings and desires from hostile attitudes is further explored; mature handling of any remaining conflicts is discussed; and the importance of harmonious relationships in each individual shop is emphasized as an indispensable prerequisite to industrial peace, full production and social health.[12]

"Whenever a negotiator even scents a principle approaching these important initial deliberations from the inner recesses of his own philosophy of what labor relations ought to be, he should smother it in an assiduous, concentrated discussion of particulars—particular wage rates, conditions of seniority, mechanisms of grievance procedure, possible forms of union recognition, or whatever the contract provision then before the parties may be. For principles once more mobilize emotions. Men feel deeply and strongly about the principles of incentive earnings, for example, in a way they never do about the actual adequacy or inadequacy of a specific piece rate. Once differences between the parties are articulated as clashing principles, settlement can come only as one side or the other gives way; there can be no comfortable compromise." (p. 30)

[9] See Chapter III.

[10] "Wanted: Mature Managers", Chapter VII; "Wanted: Mature Labor Leaders", Chapter VIII.

[11] "Conflict and Cooperation", Chapter IX.

[12] " . . . the creation of sound union-management relations in the local shop emerges a basic determinant of democratic survival." (Pp. 247–248.)

Readers who are themselves engaged in the daily give-and-take of labor relations may become somewhat impatient with the verbiage of the academic psychologist and the sociologist. Management men who hunger for justification and union men who thirst for ammunition may be disappointed. Anyone who thinks he has a right to expect a detailed blueprint or formula which can be applied to labor problems with automatic success will certainly desire a refund.[13] But the merits of Prof. Selekman's efforts are too overshadowing for carping. Only the outstanding aspects can be indicated, and those are all on the asset side of the ledger.

Perhaps the most striking thing about this work is that a large proportion of the points which it makes as practical suggestions seem obvious. Experienced labor-relations men can be imagined as exclaiming, "Why, there's nothing new or useful here; I've been doing thus-and-so for years!" One is reminded of Molière's famous character who, when informed in answer to an ignorant question that prose is language which does not rhyme, incredulously responded that he had been talking prose all his life. Quite plainly, it is easy enough to speak or write without rhyming, but to turn out a product which constitutes prose literature requires technical training, experience, taste, and, most significant, a conscious effort to create a work of art. The same is true of the "obvious" answers to labor problems. It may be all very well to blunder upon a solution in a specific case, or even to work out methods founded on long experience; but a practical philosophy of labor relations which will provide guideposts for *every* situation requires carefully aimed training so that the deep springs of human action may be plumbed, good judgment developed in order to arrive at agreements emotionally satisfying to the employee or group involved, and clarity of thought directed "purposively" toward creating a harmonious working relationship in the community known as "the shop."

The industrial relations executive or union official who already uses all of Selekman's suggestions will be able to make better use of them, and perhaps to evolve further ideas, by the understanding of what lies behind them which he gains from reading this book. The man who uses some of them only, will be similarly rewarded concerning those he uses, and will benefit from the study of those which are new to him. The man who uses none will, it is hoped, see a new light. At all events, the practitioners as well as the students of collective bargaining—to say nothing of that nebulous outsider known as "the public"—have in Prof. Selekman's

[13] A very interesting comparison can be made between the book here being reviewed and another recent publication, *Pattern for Good Labor Relations*, by Lee H. Hill (McGraw-Hill, N. Y., 1947). In Prof. Selekman's work learning has the edge over experience, but in Mr. Hill's the proportion is reversed. Another difference is that Hill approaches the subject from management's viewpoint, while Selekman is much more classically impartial. (It is not to be supposed, however, that Hill's treatment proceeds from any improper or distorting bias.) Hill's emphasis is on "employee relations"—the direct dealings of an employer with his employees as such—as distinguished from "labor relations" (an employer's dealings with the collective bargaining representatives of his employees). Selekman insists on no such distinction as a matter of substance. But in attempting to tell management how to develop and maintain good relations with employees and unions, both authors recognize the existence of psychological and sociological factors behind the face of the problem. Hill is naturally less profound and less authoritative in these academic fields, but is (also naturally) more specific and more acceptable to management on the "practical" aspects, such as techniques, procedures, organizational set-up, distribution and allocation of functions, etc. In many places the two authors, unlike as are their attitudes and their surface philosophies, cover the same territory; and in such instances the existence of a parallel rather than a contrast is highly significant.

theses either some entirely novel ideas on how to handle labor relations issues or at the very least a flood of illumination on the old ideas. In neither case can the result be anything but valuable.

Another compelling impression from this book is that of a new kind of realism. For example, there is the attack on "truncated realism"[14] where the author speaks out for the true realism which goes beyond mere engineering and production facts and figures, and embraces the equally vital but less tangible facts of human desires, sentiments and fears. In general also the realism is of a peculiarly stimulating kind: an inadequate condition is acknowledged, as are many barriers in the path of its correction; but there appears no real doubt that it will ultimately be solved. This down-to-earth variety of optimism is in many respects the quality which makes the book better than others: it does not hamper the sober analysis of our present shortcomings, and at the same time it allows the author (and his readers) to devise constructive plans for future accomplishments.

[14] See pp. 156–157.

Frequent situations arise in every personnel records office that seem to require that some new kind of record be kept. These demands must be resisted and critically examined, lest the ultimate result be a hodge-podge of overlapping, unnecessary and expensive records. Personnel records must be designed so as to be useful to all departments; not to the personnel department alone.

Personnel Records— A New Slant

By P. S. deQ. Cabot, Director of Development and Employment, Rexall Drug Company.

Personnel records are becoming an increasingly important tool of successful management, with a value even greater than records of production or sales. This is true for four major reasons:

(1) *The direct responsibility for improving production and sales lies with individuals;* the well-being of these individuals who make up the team of management is of primary importance. Payroll records speak only in figures—what does the employee get in the way of cash? What is his wage? What has he earned in commissions or bonuses? What deductions should be made from the pay check? Production records speak of accomplishments—how much does he produce? How much does he sell? Does he regularly make his quota? Personnel records, instead of representing the employee as a statistic, reveal him as an individual with background, experience, abilities, skills, and needs, all of which may or may not make him a successful and satisfied employee. They reveal not only how much he earns and how much he produces but also how and where he can help the company and himself to be more efficient. Has he reached the top in earning capacity? Is he in the right job? Does he need more training? Is he eligible for promotion? Does he help to increase the efficiency and morale of the work force as a whole? An efficient system of personnel records supplies this *living information* that management can use in planning its production program, and in forecasting future developments.

The author acknowledges the assistance of Betty J. Bridges, Supervisor of Training Publications, Rexall Drug Company.

(2) *Records give management the information needed to formulate and revise those policies which directly affect the employee.* Policies governing selection and placement, distribution of wage and salary increments, job gradings, supervisors' training of employees, service recognition programs, safety programs, employee stability, sick leave and other benefits, can be readily analysed and revised as necessary by an intelligent use of personnel records.

(3) *Records provide management with statistical controls* to point up the weaknesses and strengths of supervisors in evaluating their employees' job performances, in nterviewing, placing, and training the employee, and in reducing labor turnover. And certainly no policy of promotion-from-within could begin to be effective without some organized method of determining how many employees in a company are eligible for a particular promotion, and which of the eligible ones would make the best contribution to the department's efficiency. A good records system, particularly if some visible system is used, can make available in a few moments the number of employees with the skills and abilities necessary for a particular job; it can further indicate the past performance of the employee to aid the supervisor in making the proper selection. Employee confidence in management's decisions—this, too, a responsibility of management—is helped, not hindered by adequate personnel records.

(4) *Records supply management with information* it needs to comply with federal and state legislation, to participate in surveys in local areas, to build up a backlog of material for labor union negotiations, and to boost public relations with other organizations and agencies through an efficient exchange of employee references and information.

Recent federal and state legislation affecting the employee demands that accurate, up-to-date information be constantly available. Companies now realize that they may be liable to criminal prosecution if such records are not maintained. Personnel records thus achieve new status to satisfy the needs of such acts as: the Federal Social Security Act (1935), the Walsh-Healy Act (1936), the Fair Labor Standards Act (1938), and the Labor-Management Relations Act of 1947 (Taft-Hartley).

Cooperation with other Organizations

Information collected in individual surveys by local management groups and released to cooperating companies for mutual benefit can only be reliable when personnel records are efficiently run. The value of readily accessible employee information in union negotiations is obvious. Similarly, participation in surveys conducted by industrial relations departments in universities is impossible without adequate records.

Personnel records also are important in the company's relations with other industrial or business organizations, and with schools, colleges, state, and civic

groups. The goodwill engendered by prompt response to requests for references may have far reaching results in the community. At the same time, a sound reference checking system operated within the company by the personnel records office may mean the success or failure of employee selection and placement; it may, in effect, save thousands of dollars every month which otherwise blow out the window through the employment of unreliable, dishonest, or generally inefficient employees.

Records as an Aid to Management

When a personnel records system is operated as a direct aid to management, the final responsibility for the success of the system must be assumed by management. Management, however, delegates to the personnel department the specific job of planning, developing, maintaining, and constantly auditing the personnel records system so that it operates as a service to management, and to all departments within the company.

It is the responsibility of the company's personnel director, or an appropriate officer, to interpret to management this continuous service function of records. This is not merely a question of reporting statistics to management, nor can it be confined to collecting statistics without thoughtful interpretations. True, management wants facts, but management also wants sound recommendations based on these facts to offset, for example, high turnover and absentee rates, poor morale, inadequate on-the-job training or induction of employees. The personnel department is not only technically qualified to make such reports, but also to move in and correct the situation.

No personnel department is worth its salt unless it makes constantly available to *all* departments within a company accurate employee information that will help improve production and increase profits. A personnel records system devised and maintained for the use of any *one* department—including the personnel department—represents money poured down the drain. If such a system exists in a company, it is management's job to step in.

Setting up the Records System

Setting up a records system, whether a new one or a revision of the old, requires careful planning. Some companies achieve this through a planning committee representing both the personnel department and operations. Others simply encourage the reactions of supervisors and department heads whenever possible during the formative stages. But regardless of the method of approach, the following points should be assured:

1. *Enlist the participation of all management executives* right from the start in developing the system. This is of primary importance. Then, when the green

light of approval is given and the work is begun, keep them constantly informed of progress. Some management executives may want more than this. They may want to attend supervisory meetings when the planning of the system is in progress to make suggestions based on their knowledge of over-all operations; or they may want to be called in regularly to approve major decisions. If a personnel department is forunate enough to have this kind of executive cooperation, the chances of the success of the records system are greatly increased. Management's frequent failure to properly appreciate the value of a good records system usually springs from lack of exposure to the plan in its developmental period. When this happens the blame rests squarely on the shoulders of the personnel department which has neglected to keep management informed. If members of management are on the ground floor during these formative stages, their cooperation when the system is finally operating is almost always a natural result. This whole approach of enlisting management participation will help considerably when the time comes to demonstrate the extent to which personnel records can be used as a yardstick to measure human relations and employee efficiency.

2. *Make a survey to find out the needs of all departments* that can be satisfied by an efficient system of personnel records. The medical department may require sick leave data; the payroll department, statistics to check on their own computations of social security or other employee deductions; or the insurance department, information as to the eligibility of employees for insurance. And management itself may need information to plan or revise the company's wage and salary structure.

If a company's operations cover a wide territory, different state laws dictate a variety of information to be included in an employee's record. Particularly is this so in those states where Fair Employment Practice Laws are in force. By careful planning and analysis it is usually possible to meet all the needs of diverse operations, even when scattered geographically.

Then, when the groundwork is completed, and the preliminary system has been drafted, it is advisable to go back to departments and field operations to let them know whether their suggestions have been included in the system, or why they have been rejected. This will give the men on the firing line confidence in the new records system; and these are the people—not the records clerks or personnel staff—whose efficiency and cooperation will make or break any good personnel records system.

An analysis of the records office staff and physical facilities should be made at this stage, too, to determine how heavy a load can be handled, and what the approximate expense will be to operate the system efficiently.

Then, from the survey of the needs of the organization, and from an analysis of the records office facilities, the decision can be made as to what information should be included on forms, and what should be left off. A large company, in addition to data required by law, or that which is absolutely necessary to run the company

at all, will probably want to record *special* information. This may include training courses taken, the nature and frequency of performance reviews, and similar data which will give a more complete picture of the employee.

In the development of any records system, however, a careful curb should be put on the tendency to include too many details. Record in simple fashion only those facts which are necessary or helpful to the company's operations. This will reduce to a minimum both the number of forms, and the number of steps necessary to process the forms. Too often information is either duplicated on different forms, or is stated so ambiguously as to be useless. If, by recording a particular piece of information, the questions:

> Can it be used to improve the calibre of our work force?
> Will it help employee-employer relationships?
> Will it save the company money?
> *Has it been duplicated somewhere else?*

cannot be answered satisfactorily, the information probably should be omitted.

The importance of this initial survey cannot be overlooked, since it determines the what and the how of the records system.

3. *Plan the design, number, and processing of forms carefully.* After the survey has determined what type of information to record, forms should be designed and flow charts devised so that the selected information can be recorded with the least possible time, effort, and expense.

Surveys of employment forms and procedures used by many companies reveal the need for making forms and the flow of forms practical and simple. Wherever possible, a multi-purpose form for changes in employee status is advisable. Printing costs, clerical costs, time taken for processing, chances of lost forms, and errors in filling out forms will be reduced if the number of forms is kept to a minimum. With a multi-purpose form, once the employee has filled out the employment forms—application, insurance, bonding, withholding tax certificate, etc.—the supervisor has to be concerned with only *one form* for all future changes. This form is particularly effective when it has a manifold feature. Three or four carbon copies make it possible for all departments involved in an employee change to be advised of the action simultaneously. This manifold feature also helps to prevent the recording of incorrect information—an error unnoticed by one department will almost certainly be noticed by another. Furthermore, each department concerned with any change in employee status can gradually build up its own private file of employees for use within the department. The personnel records office, too, in receiving its copy of the form, can regularly check to determine whether proper sections are filled in, approvals obtained, and forms processed according to standard employment procedure.

While the design of each individual form is of great importance, be sure that

all personnel forms—requisition, application, change of status, reference checking form, personnel data card and the like—when put together create a logical whole. A company's personnel forms are not uniform unless two conditions are met. In the first place, forms should fall into a sequence to show the company's *total employment procedure*. Second, they should form a *history of each employee* as an individual, dating from the time when the requisition was placed by the supervisor, and ending with the employee's separation from the company.

4. *Set up definite objectives in conjunction with the personnel staff to guarantee efficient operation and to safeguard the confidential nature of the records.* Setting up the personnel records staff, and establishing a records system requires much planning. In the initial stages, job instruction for all members of the staff is helpful. Regular supervision of the staff by the appropriate personnel officer is essential. Problems such as lighting, ventilation, and arrangement of equipment for work simplification should be carefully handled. Sometimes it is advisable to call upon the consulting services of companies specializing in installing records systems to help with the above problems and to aid in the design of forms.

It should be definitely decided at the time of installation just what individuals within the company are entitled to certain information. Each member of the records staff should understand the meaning of the word, "confidential," and should be instructed, not only in the mechanics of the system, but in the principles and objectives governing its operation. Each staff member—and this is more important than in most departments—should be thoroughly screened at the time of hiring for qualities of integrity and discretion. Unless these two qualities are assured in the records office staff, the system may lose the respect and trust of management and employees.

Regardless of the size of the company, its type of operation, and the demands made on the records staff, a careful analysis should be made to prevent unnecessary costs;—either in personnel or equipment. If, for example, inactive records are to be maintained for a long period of time, there is considerable economy in microfilming records.

5. *Make a periodic audit.* When the records system is in operation it is a responsibility of the personnel director or an appropriate officer of the company to audit it periodically. Such an audit should be made after the needs of the departments have again been analysed. It should reveal whether the records are giving satisfaction, and whether they are actually worth the cost of current methods of maintenance.

What questions should the personnel department be able to answer in such an audit? Among others:

Are the records up to date?

Is the information recorded and processed according to standard procedure?

Are entries filed accurately, neatly, and quickly?
Is the fullest use made of files of pending applications?
If a Kardex system is installed, is it used to the fullest extent?
Is the confidential nature of employee information strictly enforced?

When the personnel staff is able to answer questions such as these, in the affirmative, the answers to management's questions:

Is this department actually a service to other departments?
Is it worth the money we are spending on it?
Is it an indispensable part of our organization?

cannot help being satisfactory.

As a result of the audit positive recommendations should be made to improve efficiency wherever needed and to build up the whole standard of the operation to meet the objectives set down by the original planning groups.

General Comments

The importance of records becomes greater as industry becomes more complex. Particularly is this the case with the growing trend toward decentralization of business and plant operation. Basically, production depends upon the efficiency of the employee after he has been well selected and trained. His efficiency can only be well understood in relation to production if there exists a complete, up-to-date record of his qualifications and progress on the job.

A well organized and efficiently run personnel records system is a mine of valuable information about employees. It is the key to unlocking many problems of organization and employer-employee relationships.

Little has been written recently on recreation in industry. Here is a condensed summary of some of the results of a survey on this subject that will be suggestive to organizations contemplating a recreation program.

Recreation in Industry

By Fred E. Gerber

This study of Recreation In Industry* has two main purposes:

1. To show that many firms use recreation programs as a means of maintaining good relations with labor.
2. To show how and why companies which have no recreation programs can and should develop them for organized use of leisure time as a means toward greater efficiency, better morale, a broader understanding between management and labor, and for developing more leaders.

Factors Considered in the Survey

In an effort to obtain the maximum representation of companies in varied fields of industry, 225 names were selected. Companies with nationally known products and services were emphasized in the selection with the feeling that the reputation of such firms which have planned recreation programs would serve as a stimulus for companies which are reluctant to initiate similar programs. Of the 80 firms which replied to the questionnaire, 49 were actively engaged in sponsoring recreational activities for their employees. The balance of the replies, representing 31 companies which have no planned recreation program, expressed a general interest in this study and a desire to get recreation programs started for their employees in the near future.

Of the 65 per cent of the companies which made no reply, many are known to have a recreation program. In a survey of this nature, however, a 25 per cent to 35 per cent return is all that can be expected.

Summary of Facts Revealed by the Survey

The following facts are summarized from 28 companies:

1. Number of employees working for the companies listed varies from 453 to 97,000.

* The writer acknowledges the cooperation of all those firms which participated in this survey.

2. Employees in 64 per cent of the companies requested or stimulated the initiation of a company-planned recreation program. In 25 per cent of the companies, management initiated the program.
3. The budget in 64 per cent of the companies provides for recreational funds.
4. Amount of funds allocated by companies for recreation per year per employee varies from $.50 to $27.00.
5. With regard to the extent to which recreation costs are supported by employees:
   a. In 14 per cent of the companies employees pay an annual sum.
   b. In 43 per cent of the companies, employees pay for individual events or facilities.
   c. In 50 per cent of the companies, the program costs are covered by profit making features such as vending machines and lunch bars patronized by employees.

   (The above three figures total more than 100 per cent, which indi cates that some companies use a combination of the three means of obtaining revenue).
   d. The extent to which income from these three sources supports the program costs varies from 2 per cent to 100 per cent.
6. The number of individuals employed for supervision of recreation programs varies from 0 to 200 on full time, and 1 to 20 on part time status.
7. Number of employees who take part in supervising features of a recreation program without compensation varies from 0 to 2000.
8. In 68 per cent of the companies listed, there is provision for an employee's family to participate in the program.
9. In 60 per cent of the companies the "Recreational Interest Questionnaire" system is used either occasionally, quarterly, or annually, to determine diversification of interests.
10. Only 28 per cent of the firms keep permanent records on employee recreational interests.
11. Special periods for beginners in certain events are provided by 46 per cent of the companies.
12. Of the companies listed, 78 per cent take part in local civic committies or boards for recreation programs.
13. Order of popularity for physical activities:

a. Bowling	e. Baseball
b. Softball	f. Swimming
c. Basketball	g. Badminton
d. Golf	h. Tennis

14. Order of popularity for social events:

a. Dinners	d. Smokers
b. Dances	e. Bingo
c. Card parties	f. Masquerades

15. Order of popularity for cultural activities:
    a. Choir e. Orchestra
    b. Dramatics f. Lectures
    c. Hobby Clubs g. Gardening
    d. Photography h. Art
16. Order of popularity for outdoor activities:
    a. Picnics e. Hunting
    b. Shooting f. Camping
    c. Fishing g. Bicycling
    d. Skating h. Skiing
17. Extent to which facilities are owned or rented by the 28 companies for recreational activities:

Facility	*Company Owned*	*Company Rented*
Lunch Room	20	1
Bowling Alleys	4	13
Dance Floor	9	7
Gymnasium	5	10
Game Room	13	1
Tennis Court	7	6
Picnic Grounds	6	7
Golf Course'	3	9
Camping Grounds	9	1
Play Grounds	7	2
Swimming Pool	4	5
Lake	3	—
Skating Rink	1	—

18. Order of popularity for events held periodically for employee participation or attendance:
    a. Hobby shows d. Concerts
    b. Open house e. Field Day
    c. Holiday programs f. Pet shows
19. Order of popularity for methods of advertising or stimulating a recreation program.
    a. Bulletin boards e. Public address system
    b. Company publications f. Films
    c. Group meetings g. U. S. mail
    d. Public newspapers h. Pay envelope inserts

Some firms which are leaders in the field of industrial recreation, and thereby acknowledge its benefits, went beyond the scope of the survey questionnaire and elaborated extensively on their recreation programs by sending special bulletins, booklets, news items, and other material published by the company in the interest of its program.

While most of the companies in this group of 28 are large organizations it

should not be concluded that recreation programs are difficult, impracticable and expensive for smaller firms. For more than one quarter of the companies in this survey have less than 2000 employees but still provide for a recreation program.

Publications

Literature on industrial recreation is scant. The good relations between labor and management which produced high production during World War II was stimulated by planned recreation. Interest is being broadened by an increasing number of published articles on the more successful programs. This literature should be utilized as a guide.

"Planning Industrial Recreation" by Eastwood and Duggins, Purdue University 1941, is an 82 page booklet which, at the cost of $1.00, is a worthwhile expenditure for the company contemplating or expanding a recreation program. The contents of this booklet generally covers the following:

1. The implications of recreation in industrial relations.
2. Principles and policies of organization, administration, and financial independence.
3. Planning and initiating the program.
4. Program administration.
5. Model constitution and by-laws for an employees' recreation association.
6. Methods of program financing.
7. Revenue producing activities.
8. Model questionnaire on recreational interests.

The industrial Recreation Association for American Industry, a non-profit national organization with headquarters at One North La Salle Street, Chicago, 2, Illinois, has published a 14 page pamphlet on "Promoting Employee Participation in Industrial Recreation," and another 21 page pamphlet on "Determining Recreational Interests." Both publications have a definite value for the company wishing to start a recreation program.

Planning for a Program

The company which attempts to establish recreational activities without consulting the employees for their interests may meet with negative appreciation and participation. The worker will do a better job if the feeling can be developed that his interests are of major concern. The best means of promoting this feeling among workers is to obtain an expression of their desires through representative employees or through questionnaires.

Properly approached with charts, diagrams, and figures, employees will be quick to see that if the average amount spend for recreation on the outside by each employee was concentrated into a central fund, it would eliminate waste, stimulate organization, and provide a better program. Secondly, if employees pay the major

share of the cost of a recreation program, they are bound to feel a share of the responsibility for its success.

Over-advertising the activities of a recreation program is practically impossible. Obviously, if an employee sees and hears about an activity through a dozen mediums he is not likely to forget about it. The curiosity of most individuals is seldom fully satisfied unless they can see for themselves. So too, most employees will want to attend or participate in activities which have aroused their curiosity through extensive publicity.

Companies with less than two or three hundred employees who feel that a recreation program is impracticable may find a solution in a joint program with other small companies in the same locality. Tennis courts, ballgrounds, and camping grounds can be cooperatively established. Social events sponsored by two or more companies have unlimited possibilities in developing better social understanding and good will among all classes of people in similar to different industries.

Summary

Recreation programs in industry present wide contrasts; many companies have extensive, popular and successful programs, some of which have been active for many years. On the other hand, the majority of organizations have no programs of recreational activities. There are great differences in the way such programs are organized and managed. The older way was to have programs entirely run by the company, but the modern way—and more in keeping with the growing appreciation of the importance and dignity of the individual—is to leave much of the initiative and management of such programs to individual employees and to employee organizations. Many companies have invested large sums of money in equipment and provide substantial sums of money for the maintenance of recreational activities. Most companies with experience in recreation for employees have found that such programs are beneficial in many ways and most of all in the creation of a better spirit in employer-employee relations.

Readers are familiar with "Non-directive Counseling", which as been used long and successfully at the Hawthorne plant of the Western Electric Company. Many are familiar, too, with writings of Dr. Carl R. Rogers on this subject. Here is an analysis of some differences between this kind of counseling in industry and in clinics.

Differences Between Clinical and Industrial Non-Directive Counseling

By Dougald S. Arbuckle, Boston University

There are today few personnel workers—be they in an industrial concern, an educational institution, or a clinic—who have not become familiar with the term "non-directive counseling". This method of counseling is becoming increasingly wide spread in clinics and in educational institutions, but it is being practiced only to a limited extent in industry. However, this is not the case in the Hawthorne plant of the Western Electric Company in Chicago, where non-directive counseling is being practised fully and completely. Counselors in this plant take as their creed the belief that every normal person has the right and the ability to solve his own problems. It is unlikely that the clinical non-directive counselor would disagree with this basic creed; but there are, nevertheless, certain differences betwen clinical and industrial non-directive counseling that are worthy of note.

1. *The Manner in Which Contacts are Established.* In the industrial setting the counselor is assigned to a certain territory or department and it is his aim to make contacts with all workers who may be in that territory or department. In many cases the counselor takes the initiative in establishing contacts, although workers are encouraged to go to the counselor at any time. The counselor usually spends a great deal of time in a shop or department, casually contacting a large number of workers. The foreman may sometimes suggest certain employees whom he feels to be in need of counseling.

In the clinical situation the counselor obviously does not take the initiative in contacting the client, although the client may sometimes be referred against his

wishes to a clinic. The functions of the industrial counselor, however, do not differ too much from the clinical counselor who may be working in an institution in close contact with members of the institutional group. In a way, the industrial counselor is merely advertising his availability; not unlike the clinical counselor who gives speeches to mothers' groups, youth groups, and teachers. There may, however, be a tendency for the industrial worker to bring to the counselor problems which he might have solved himself if he had not been approached by the counselor, although this will depend a great deal on the extent to which the counslor is striving to make the worker independent and strong enough to make his own decisions. The fact that the industrial counselor initiates many contacts may be the reason that more time is needed in industrial counseling for the gaining of rapport.

2. *The Relationship Between Counselor and Worker.* In the industrial situation the relationship between the counselor and the client is much more intimate than in the clinical situation. The industrial counselor sometimes appears to rely on a kind of friendship with the worker in lieu of professional prestige. The worker often calls the counselor by his first name, and there is much more social intercourse between them than would be the case in the clinical setting.

3. *The length of the Interview.* In the industrial setting there is no limit to the length of interviews. Although some of the interviews last for three hours the average interview takes about eighty minutes. It is customary in the clinical situation to limit the length of most interviews to about one hour, and the matter of time limits is considered an important aspect of the counseling process.

4. *Note-Taking.* Industrial counselors have found note-taking during the interview to be very disturbing to the workers, and it is customary to write up the interviews from memory immediately after the session is over. In the clinical situation, non-directive counselors generally do not get this reaction to note taking; provided, of course, that the purpose has been explained. Some clinical interviews are conducted successfully when the client is aware that a recording machine is in operation. The reaction of the workers is probably due primarily to a general mistrust of management, and a feeling that if something is taken down it might be used against them.

5. *Rapport.* Although the area of rapport is no more important in the industrial situation than in the clinical setting, the situation is such that more time is often given to the establishment of rapport than is the case in the more professional clinical set-up. In the area of rapport in the industrial interview there may be a dual sharing of experiences between the client and the counselor, an occurrence not to be found in clinical psychotherapy.

6. *Catharsis.* There is more differentiation between "sharing concern" and "catharsis" in industry than in the clinical situation. The industrial non-directive counselor believes that if there is an apparent change to more rational behavior—as, for example, if the client "cools down"—then catharsis has occurred. Sometimes catharsis is not apparent, as when the client talks for an hour and then leaves

in the same apparent state as when he came in: there has been a "sharing of concern", but it is not considered that catharsis has taken place. The clinical counselor does not differentiate between these two terms as closely as this.

7. *Interpretation.* The clinical counselor is probably more cautious about the use of interpretation than is the industrial counslor. In the clinical situation the interpretation of what the client feels and thinks is regarded as difficult and often dangerous, and is acted upon with great caution.

8. *Termination of the Interview.* Although in both situations the client decides when he has no further need of assistance, it is likely that the clinical counselor participates more in this termination than does his industrial counter part. Each interview is definitely terminated by the client in the industrial situation, whereas in the clinic a time limit is felt to have therapeutic value and the counselor often closes the interview.

9. *Structuring.* To the industrial counselor "structuring" means more than the defining of the relationship between counselor and client; it may also refer to the restatement by the counselor of any statement which he thinks is of importance—a "structuring" of the interview as it proceeds.

10. *Limits.* Both clinical and industrial non-directive counselors would agree that any limitation should be in the realm of behavior rather than attitude. There is a difference, however, in the limitation of time and affection. In industry, as has been indicated, there are no set time limits for the interview, and it is also probable that in the more professional clinical situation the limitation of affection is adhered to more rigidly and more easily than in the more friendly plant relations between worker and counselor.

11. *Fees.* There is no fee charged in industrial counseling, but in the clinic it is customary to charge a fee. It is felt that there is a certain therapeutic effect in the payment of a fee, no matter how small it may be.

"Misleading Publicity About the Taft-Hartley Law" was the title of an editorial in *Personnel Journal* for January which took exception to some of the conclusions of the survey on that law which appeared in Look magazine. Dr. Claude Robinson, author of the survey, has asked for the opportunity to present this reply.

Opinion on the Taft-Hartley Law—A Rejoinder

By Claude E. Robinson, President, Opinion Research Corporation

To the Editors of the Personnel Journal: The lead editorial in your January issue voices alarm over the wide attention given to our worker poll on the Taft-Hartley Law. You feel that the poll, which shows that workers are in favor of ten main provisions of the law, does not reflect real worker feeling, hence may easily mislead management. As a research organization we have a deep interest in accurate reporting. Unless people think and act the way our reports say they will, we cannot stay in business. We are certainly as eager as any other observer to get the truth, perhaps more so because our bread and butter depends on it.

In the course of more than ten years of polling public opinion on labor issues, we have collected a very large amount of testimony, from all classes in the population including members of unions. Giving their testimony, the majority have told us over and over again that they believe in the principle of collective bargaining; that they want companies to recognize and bargain collectively with unions of the workers' choosing; that they feel most companies have not yet fully accepted unions. We have pointed out these fact to management year after year, in our Public Opinion Index for Industry.

At the same time, both the general public and the workers openly criticize union conduct, saying unions have not recognized their responsibilities to their members and to the national welfare; that they are too violent and quick to strike; that there is too much coercion and not enough persuasion; that unions should re-

veal their finances; that unions should not contribute money to political parties; that laws should be passed to deal with these things.

This is what rank and file workers have told us. Your editorial dismisses this testimony as "stereotypes". You say people testify one way and act another. That is a challenge to the whole process by which codes of behavior are formulated and put into practice. What is your evidence? How many persons have you talked to? Whom did you talk to? What questions did you ask?

Interestingly enough, your reservations about our poll strike the same note as the analysis in *The Machinist*, weekly publication of the International Association of Machinists (though we hasten to add that you did not advise us, as did *The Machinist*, to phrase our questions this way: "Do you favor a law that gives the company a right to call compulsory meetings and force employees to listen to anti-union speeches?", and "Do you favor a law that will advertise the financial weakness of small unions, thus notifying the employer of the correct timing for an attempt to break the union?")

Our account of union member views is intended to reflect the views of the rank and file; your interpretation of their views appears closer to the views of union leaders. Actually there is considerable difference between the two, as the Gallup poll has demonstrated. The rank and file member ordinarily is less willing to strike than the leader; the rank and file member is less given to Communism than the leaders of some unions; the rank and file member is less in favor of the compulsory checkoff and of closed shops than union leaders. Therefore employers can sometimes be seriously misled when they accept union statements as reflecting the majority sentiment among rank and file employees.

We note that you feel our questions are wanting because they do not go into the enforcement details of the Taft-Hartley Law. You feel employees cannot understand the law unless they understand all the technical ramifications. Actually very few people ever grasp the ramifications of any piece of social legislation. Even the Congressmen who passed the Taft-Hartley Law, the judges who make decisions on the law, and employers and union leaders who debate its merits do not understand the detailed ramifications.

Yet people all along the line do reach opinions and do act on their opinions. Since people form their judgments in large part on broad objectives and fundamentals, it is important to find out whether they agree with the things the Taft-Hartley Law sets out to do. Our poll showed that workers are in agreement on ten of the main provisions that affect them most directly, giving an average approval of 73%. If the test of time shows the mechanics of the law to be faulty, then the mechanics doubtless will be altered while preserving the basic objectives.

We agree with you that the union member does not want his union crippled or broken, and will fight any action he thinks is designed to that end. But why assume that the typical worker's experience is going to be painful? The probability is that most workers will not, in their own experience, have any brush with the

law whatsoever. And where they do have such experience, it will not necessarily be disagreeable. For many of the new law's provisions are expressly designed to protect the worker majority against disruptions and coercive tactics of the organized minority. Why assume that the majority will be embittered by receiving the protections they have long favored?

Employees can become embittered, of course, if they misunderstand the law. This is most likely to happen when the employer neglects to inform employees on the purposes of the law, and further fails to explain the specific steps he takes to comply with the law and carry out its procedures. Our poll will serve a useful purpose if it brings vividly to management's attention the need for educational work in this sphere.

In any case, the assumption that the Taft-Hartley Law will break the unions is a little gratuitous, we believe. There may be some companies who will try to use the law to club the unions. But leading employers by the scores have gone out of their way to assure employees that their one desire is good relations, law or no law. A California Packing letter to all employees states:

> "Whether or not your employment is covered by a collective bargaining agreement, the Management of California Packing Corporation assures you that there will be no change in its attitude toward employees, and reassures you that the harmonious relationships which have existed in the past will continue insofar as it is humanly possible to do so."

Thomas Roy Jones, President of ATF, Inc., goes further:

> "I have tried to find somewhere in it some statement that could be used to 'enslave' employees. I couldn't. Quite the contrary . . . . Possibly I don't interpret the Law correctly, but if you can show me any part of the Act that hurts you as an employee or hampers your rights, I give you my word I shall go after every senator and representative in New Jersey to have that part stricken from the books."

It is hardly likely that companies would go out on a limb with such forthright declarations of policy if their intent was to badger and hamstring the unions.

What observers are prone to overlook is that the new law may actually strengthen the position of the unions by rebuilding public confidence. The essence of the law, as we see it, is a balancing of union power with union responsibility. That is what the public has long demanded. Prior to the Taft-Hartley Law, state after state passed individual statutes covering several key points. The Barnes Bill in Massachusetts, requiring unions to report annually in detail on their finances and officers' salaries, was put to popular referendum. The Bill won popular approval of better than two to one, gaining majorities in industrial areas as well as in country districts.

If the Taft-Hartley Law had not passed, it is conceivable that the mounting pressure for labor reform would have pushed through more restrictive legislation.

As it is, the unions are in a much improved position to bid for public favor and support. There is more bargaining and fewer strikes. There is in many quarters a casting out of Communists from union office. There is a movement toward more democracy, more frankness on union affairs, less coercion and more persuasion in controlling the membership. If this maturing process continues, we actually may witness a resurgence of public faith in unions.

CLAUDE ROBINSON, President Opinion Research Corporation.

We are glad to give Dr. Robinson the opportunity to reply to our editorial in January Personnel Journal. His letter has been printed in full and without change, as he submitted it. His position, as expressed in Look magazine, seems to be in this sentence: "On the basis of our investigation, it seems clear to me that the American worker favors what is in the Taft-Hartley law—but doesn't know it."

The essence of our position, as expressed in the January editorial, is in its first sentence: "Management is apparently falling for a dangerous fallacy—the illusion 'that the American worker favors what is in the Taft-Hartley law—but doesn't know it.' " We further said that we did not think that the ten simplified questions in the Look poll constituted "what is in the Taft-Hartley law," and we expressed concern lest employers misjudge the actual attitude of ***their own*** workers because of the conclusions expressed by Dr. Robinson, quoted above.

Ed.

The Editor Chats With His Readers

Frank Rising in his "Memo to Management" for January 14th, issued by Automotive & Aviation Parts Manufacturers, Inc., quotes some of the Department of Labor's statistics on the number of strikes as follows:

	Number of Strikes	Man-days idle
1943	3,752	13,500,000
1944	4,956	8,720,000
1945	4,750	38,000,000
1946	4,985	116,000,000
1947 (pre-T-H)	2,955 (eight months)	29,900,000
1947 (Post-T-H)	645 (four months)	5,100,000

Frank took a gentle poke at the President whom he quotes as having said, when he vetoed the bill "its provisions would cause more strikes, not fewer. It would contribute neither to industrial peace nor to economic stability or progress".

The records to date do not bear out the President's dire prediction; but Frank, is this only the lull before the storm?

"The Future of Industrial Relations in the United States" is the title of a short talk by Harold F. North, Industrial Relations Manager for Swift & Company, Chicago. This was one of the addresses given before the Calfornia Personnel Management Association recently. Mr. North gives it as his opinion that the principal conflict between management and labor in the future will stem from the tendency of top management to lose sight of the things that are important to the rank-and-file employee, who is many layers below. This is true even though many top executives were of the rank-and-file themselves in earlier years. Copies of Mr. North's talk may be secured from Mr. Everett Van Every, Secretary of the California Personnel Management Association, 870 Market Street, San Francisco 2, Cal.

Harry King Tootle, whose "best seller" book, "Employees Are People" is reviewed in this issue, writing in a philosophical vein says, "Some day the president of a corporation will call in an executive—and not a top-flight one at that—and say to him,

'Bill, personnel work seems to be getting pretty important. I hear about it wherever I go. I read about it in newspapers and magazines. It looks like we'll have to have a personnel department. You are now personnel director.'

'My Gawd!' exclaims Bill, looking at the boss blankly, 'what do I do?'

'Just follow what it says in this book' says the president, handing him a copy of "Employees Are People." You can't go wrong. It is written in words you can understand.'

"Of course, what I would like the president to add," says Mr. Tootle, "is

You are now a staff officer of this company and I am standing directly behind you. Don't let a couple of days go by without coming to report to me in person.' "

"Men such as Bill are the persons for whom I wrote this book." If you have already read "Employees Are People" you will know what he means. It is written in a simple, friendly style and shows a warm understanding of people and what makes them tick. It is a rewarding book.

The annual Personnel Conference of the American Management Association, usually held in Chicago in February, is without doubt the most important of all of the many such conferences held over the country each year. Attendance has become so heavy that it has been necessary to restrict it to actual members. The 1948 conference was held at the usual time and place and attendance was large and of high calibre. A well-planned program kept up a good level of quality for the two-and-a-half days of the conference. "Side bar" conferences filled every remaining moment of time with lively reunions. For many, this is the only opportunity of getting together with old friends "From Maine to California". The only flaw was the absence of Alvin Dodd, the distinguished President of A. M. A. who is recovering from an operation.

February 19, 1948

Edward N. Hay, Editor
Personnel Journal
Swarthmore, Pa.

Dear Mr. Hay:

I read with interest your comments in the February issue of the Personnel Journal on "Fallacies in Job Evaluation". After reading the original article over I fail to see the necessity for picking apart individual phrases which could be interpreted otherwise and criticizing them as "fallacious" procedures of job evaluation.

As to your first comment, while it is true there is a high correlation between factors as reported by Lawshe, nevertheless the use of job evaluation plans which provide for from 8 to 12 factors has proven outstanding and there are so many plans in use which have given adequate results, that their usefullness cannot be doubted. The use of 4 factors has never been adequately proven as the best method of evaluating jobs and if a plan having 4 factors is as successful as you indicate, should it not have been widely used by this time? At least it should be worth while to bring this to the attention of management in order to avoid the waste of unnecessary time and expenditure on the part of various industries which now have job evaluation in mind. However, I have seen no effort to do so on the part of any one and therefore must assume that there are fallacies in the use of only 3 or 4 factors. The greatest "minds" in some of our largest corporations have considered job evaluation for a

considerable length of time, and I fail to see anything in recent literature with the exception of Lawshe's work, to indicate that there is any trend in the direction of reducing the number of factors.

With reference to your second comment concerning the length of time it takes to train a man for job evaluation, perhaps the factor of the intelligence of the individual should be taken into consideration. Naturally, an individual who has had an engineering background would be able to adapt his technical learning to such extent that it would be very easy for him to do an adequate job on evaluation within six weeks. However, union committees require an extensive training period to be able to understand the purposes and background of evaluation and the individual capability of many union members is so low it is often impossible for them to be thoroughly trained in less than nine months or a year.

With reference to your third comment, engineers should make very satisfactory evaluators. Engineers as well as other people can recognize the human relations part of the problem. They are better adapted to understand the intricacies of the jobs and be able to break down the jobs into their component parts. Unless one plans to train a great number of people as job evaluation personnel and to repeat the same job 40 or 50 times, it will give more satisfactory results to train a group of 4 or 5 men who best understand all the operations of the plant and give them a very thorough and complete understanding of the subject. I fail to see what part human relations can play in analyzing jobs and there does not seem to be any indication in your criticism what its importance is. The human relations angle is necessary in the installation of the plan, in selling it to labor and management, and in its final administration; however, when it come to breaking down and writing up jobs and assigning points to them, the human relations angle is subordinated to the ability of the individual to obtain the correct information and to be able to put it down in an adequate manner.

As to the fourth criticism, it would be very convenient if a Company could use a large group of analysts on each job, but in order to provide for economy, one man should be assigned a group of jobs and score those jobs he is best acquainted with subject to the approval of the Chief Analyst, or subject to the decisions of a committee. An alternate idea would be that in the case that he works directly with a committee making evaluations, he will have already predetermined what he considers to be the best scoring of the job and attempt to guide the thinking of his committee to that specific point. The "engineers" best use in this capacity comes in acting as mediator or discussion leader for a panel who are evaluating the jobs.

With reference to your fifth point, the Toledo chapter of the Society of the Advancement of Management has recently conducted a series of discussions on job evaluation. It has been the considered opinion of most of the men whose primary duties have been the administration of job evaluation plans that management-labor committees are not workable. It is often impossible to reach an agreement in the committee especially where the more militant unions are concerned. The best

method indicated has been to have management make a uni-lateral evaluation and provide for the results to be challenged by a grievance procedure. In this manner management avoids the interminable discussions existing in a management-labor committee on the basic aspects of job evaluation and brings up for discussion only those jobs on which the union has a disagreement. If management-labor committees meet only on the disagreements and discuss the validity of a grievance, the end results should be of a much more satisfactory nature and not consume endless weeks of wrangling.

While I do not agree with Mr. Landes on several of his points, I do not believe it is necessary to pick apart individual phrases and attempt to attribute other than general meaning to them. From our series of panel discussions, the indication has been that the need today is primarily for a greater understanding for what job evaluation purports to do, an educational program on the benefits of job evaluation for both labor and management, and for a standardization of nomenclature and fundamentals so that industries can make satisfactory comparisons on jobs and wage levels in any part of the country and in any type of plant.

I would very much appreciate a discussion of this last subject and of Lawshe's work in a future issue of the Personnel Journal. Also I would appreciate any comments that you would have on my criticisms.

Very truly yours,
John J. Zeisler
Assistant to Industrial Relations Mgr.
Packard Motor Car Company, Toledo Plant.

Mr. Zeisler's letter is printed in full in the belief that many personnel workers will be interested in what he has to say. Further comment on both sides of the question is welcomed and as much of it as possible will be printed in future issues. The February editorial was written by a long-time user of the Factor Comparison method of job evaluation, while Mr. Zeisler is evidently using a point plan. This and other differences may only be matters of individual choice between two equally workable methods. However, some procedures are probably better than others and if the discussion brings this out it will have served a useful purpose.

Editor.

Book Review

Employees Are People. By Harry King Tootle. New York: McGraw-Hill Company, 1947. 350 p. $3.50.

This is a book that covers the whole field of personnel administration. I like the way it presents several sides to the various problems. After over a quarter of a century in the shop of a small manufacturing company I was asked to act as Personnel Director, so I have read this book with a fresh point of view.

As well as being extremely useful to a beginning Personnel Director it seems to me that "Employees Are People" could also be used as a textbook. Because of the extent of Mr. Tootle's experience a student would finish his course with his feet firmly on the ground instead of merely having his head filled with theories. It gives a very good idea of the requirements of business life which would also make it useful reading for some one looking for a job.

Mr. Tootle shows an extensive knowledge of human nature and its frailties. One of the first things I noticed was his great interest in different kinds of people, which quality would be an asset to any personnel man. He is always coming back to the advisability of making workers, even in the smallest jobs, feel their importance in the overall situation. Throughout the book his whole attitude toward personnel work combines a sense of humor with tolerance of the way in which people differ.

Chapters are devoted to all angles of the job of a personnel director. Information is given on hiring, testing, recreation, training and job analysis as well as all the particularly human problems that come to a personnel man for solution. His language is colorful and to the point as he gives illustrations from many types of businesses.

There are many little hints on handling human relationships. He really believes his title "Employees Are People". Throughout the whole book the author gives examples; such as under recreation he points out the danger of paternalism and stresses the need of helping employees to organize their own recreation, whether it be bowling, choral societies or dancing. This also underlies his advice about handling drives for subscriptions or for membership in hospital or pension plans. He cautions that the individual employee should be given freedom to determine his own policy in all possible situations.

His chapter on Unions and Union Contracts is particularly broad, tolerant, understanding and amusing. He has evidently had a wide experience with various types of unions. He discusses the problems of the woman worker in a kindly, humorous, male vein. He has an excellent chapter on the part foremen play in management and has valuable suggestions on how a personnel man can find out what are the employees' opinions of their bosses and the company in general.

Because it is such a comprehensive study of personnel work and has so much

information in a digested form I intend to keep it at hand for emergency decisions and as a refresher course in personnel work. In closing I might add that it has a well-planned index.

Thomas H. Lueders

About the Authors

Willard Tomlinson is a management consultant and a specialist in the field of vocational guidance and was for many years active in advertising. He speaks frequently on busine s and guidance topics. He is a graduate of Haverford and Harvard.

[illegible] W. [illegible] is a practicing attorney specializing in labor problems. From 1942 to 1945 he was a member of the staff of the War Labor Board, Third Region, first as an attorney, then as Regional Attorney and finally as Vice Chairman of the Board and as Acting Chairman. He has bachelors and law degrees from the University of Pennsylvania.

Dr. P. S. deQ. Cabot is Director of Development and Employment on the National Personnel Staff of the Rexall Drug Company. Previously he was on the staff of the Psychological Corporation of New York and before that was Executive Director of the Cambridge-Somerville Youth Study. He was educated chiefly in New Zealand and has several degrees from the University of New Zealand. He holds masters degrees from Columbia and Harvard and a PhD from Harvard in psychology.

Fred E. Gerber is engaged in purchasing and contracting work. He graduated from Penn State in 1936 and then spent ten years in the Army, reaching the rank of Lieut. Col. Much of his later work in the Army was in personnel. He has just completed a year of study at Cornell University in food service management.

Dr. Dugald S. Arbuckle teaches in the School of Education at Boston University. He has degrees from the University of Alberta and a doctorate in personnel work from the University of Chicago. He was an officer in the Royal Canadian Air Force where he did educational and psychological work and is the author of a book and numerous articles on educational topics.

Dr. Claude E. Robinson is a founder and President of Opinion Research Corporation, Princeton, New Jersey. He has written and spoken extensively on the analysis and measurement of public opinion. He is a graduate of the University of Oregon and received his doctorate in sociology from Columbia. His Ph.D. thesis "Straw Aotes, a Study of Political Prediction", was one of the pioneering works in the scientific study of public opinion.

John J. Zeisler is Assistant to the Industrial Relations Manager at the Toledo plant of Packard Motor Car Co. He graduated at Yale in 1939 and served in the Navy for three years as a pilot where he was a Lt. (jg). He was a member of the staff of Currie & Gherman, Industrial Relations Consultants, for two years.

Thomas H. Lueders is now Personnel Director of the Phosphor Bronze Corporation of Philadelphia after many years in production work for the company. He graduated from Lehigh University in 1906 where his early interest in labor relations was shown by his thesis on the eight-hour day.